

**SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

**Director's report and financial statements  
for the year ended 31 July 2021**

**Registered Number: 02951828**



# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

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# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021**

The director presents his annual report and the audited financial statements for the year ended 31 July 2021.

### **Director**

The director who held office during the year was as follows:

Mr Richard A. Spencer

The University of Sussex holds directly all the authorised and issued shares of the company.

Throughout the year, the Company has maintained a director's and officer's liability insurance policy.

The director receives no remuneration, fees or other emoluments from or on behalf of the Company (2020: £nil).

### **Going concern**

As set out on page 6 the Company made a loss in the year of £122,937 (2020: £143,456) and has net current liabilities of £ 3,428,852 (2020: £3,305,915).

The director acknowledges the uncertainty caused across the global economy as a result of the Covid-19 pandemic.

The Company is reliant on its parent undertaking, the University of Sussex. The University of Sussex has confirmed its current intention is to provide additional working capital funding as required for at least twelve months from the date of approval of these financial statements. This is confirmed by a deed to support.

Based on the confirmation received from the University of Sussex, the directors consider the Company will be a going concern for a period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

### **Directors' responsibilities**

The director is responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

Under Company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### Auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In preparing this Directors' Report advantage has been taken of the small companies' exemption.

By order of the board

University of Sussex  
Sussex House  
Falmer  
Brighton  
BN1 9RH

Reg no: 02951828



Richard A. Spencer  
Director

Date: 19 November 2021

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sussex Innovation Centre Development Limited ("the Company") for the year ended 31 July 2021 which comprise the statement of comprehensive income, the statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED (CONTINUED)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED (CONTINUED)

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

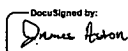
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Challenging assumptions made by management in their significant accounting estimates; and
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  


James Aston (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
Gatwick

Date 24 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Turnover		102,096	102,096
Cost of sales		-	-
<b>Gross profit</b>		<b>102,096</b>	<b>102,096</b>
Administration expenses		(10,860)	(4,899)
Depreciation charge		(128,726)	(128,726)
<b>Operating loss</b>		<b>(37,490)</b>	<b>(31,529)</b>
Interest receivable and similar income	5	19,907	19,907
Interest payable and similar charges	4	(105,354)	(131,834)
<b>Loss before taxation</b>		<b>(122,937)</b>	<b>(143,456)</b>
Taxation	6	-	-
<b>Loss for the financial year</b>		<b>(122,937)</b>	<b>(143,456)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the financial year</b>		<b>(122,937)</b>	<b>(143,456)</b>

The results stated above are derived from continuing activities.

The notes on pages 9-14 form part of these financial statements




# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Land and buildings	7		3,307,304		3,436,030
<b>Current assets</b>					
Cash at bank and in hand		7,014		11,452	
Debtors	8	30,629		30,627	
		<u>37,643</u>		<u>42,079</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,211,101)</u>		<u>(1,197,211)</u>	
<b>Net current liabilities</b>			<b>(1,173,458)</b>		<b>(1,155,132)</b>
<b>Total assets less current liabilities</b>			<u><b>2,133,846</b></u>		<u><b>2,280,898</b></u>
<b>Creditors: amounts due after more than one year</b>	10		<b>(5,562,698)</b>		<b>(5,586,813)</b>
<b>Net liabilities</b>			<u><b>(3,428,852)</b></u>		<u><b>(3,305,915)</b></u>
<b>Called up share capital</b>	13		<b>100</b>		<b>100</b>
<b>Profit and loss account</b>			<b>(3,428,952)</b>		<b>(3,306,015)</b>
<b>Shareholder's deficit</b>			<u><b>(3,428,852)</b></u>		<u><b>(3,305,915)</b></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on **19 November 2021** and signed on its behalf by:

  
 .....  
**Mr Richard A. Spencer**  
 Director  
 Reg no: 02951828

The notes on pages 9-14 form part of these financial statements.

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

	Share capital £'000	Profit and loss account £'000	Total £'000
01 August 2019	100	(3,162,559)	(3,162,459)
Total comprehensive loss for the year	-	(143,456)	(143,456)
31 July 2020	100	(3,306,015)	(3,305,915)

	Share capital £'000	Profit and loss account £'000	Total £'000
01 August 2020	100	(3,306,015)	(3,305,915)
Total comprehensive loss for the year	-	(122,937)	(122,937)
31 July 2021	100	(3,428,852)	(3,428,852)

The notes on pages 9-14 form part of these financial statements.

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021**

### **1. Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared under the historic cost convention. The preparation of financial statements in compliance with FRS102 section 1A Small Entities requires the use of certain critical accounting estimates. The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments relevant to the company;
- the requirements of Section 12 Other Financial Instruments relevant to the company; and
- the requirements of Section 33 Related Party Disclosures 33.11

It also requires management to exercise judgement in applying accounting policies. The following principles have been applied:

#### **Going concern**

As set out on page 6 the Company made a loss in the year of £122,937 (2020: £143,456) and has net current liabilities of £3,428,852 (2020: £3,305,915).

The directors acknowledge the uncertainty caused across the global economy as a result of the Covid-19 pandemic.

The Company is reliant on its parent undertaking, the University of Sussex. The University of Sussex has confirmed its current intention is to provide additional working capital funding as required for at least twelve months from the date of approval of these financial statements. This is confirmed by a deed to support.

Based on the confirmation received from the University of Sussex, the directors consider the Company will be a going concern for a period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

#### **Turnover**

Turnover represents the amounts, exclusive of Value Added Tax, attributable to the Company's principal activity. Turnover from the principal activity is recognised when the service is provided. All turnover and profits are derived from activities within the United Kingdom.

#### **Capital Grants**

Capital based grants are included in deferred income in the statement of financial position and recognised in the statement of comprehensive income over the useful economic lives of the assets to which they relate.

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

### Deferred taxation

No provision has been made for deferred tax on the grounds that a deed of covenant has been put in place for the payment of taxable profits to the University of Sussex and therefore no deferred tax asset or liability will be realised by the Company. The Company therefore has no taxable profit or tax charge for the year.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less subject to insignificant risk of changes in value.

### Tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range is as follows:

Leasehold property - over the term of the lease

## 2. Director's emoluments

The Director did not receive any emoluments (2020: £nil).

## 3. Employees

No staff are employed by the company (2020: nil).

## 4. Interest payable and similar charges

	2021	2020
	£	£
Loan interest	<u>105,354</u>	<u>131,834</u>

## 5. Interest receivable and similar income

	2021	2020
	£	£
Release of deferred capital grant	<u>19,907</u>	<u>19,907</u>

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

### 6. Taxation

#### Analysis of tax charge in the period

	2021	2020
	£	£
UK Corporation Tax	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2021	2020
	£	£
Loss before tax	(122,937)	(143,456)
Loss at the standard rate of corporation tax in the UK of 19% (2020: 19%)	(23,358)	(27,257)
Capital allowances less than depreciation	24,458	24,458
Unrecognised tax (profit)/loss	(1,100)	2,799
Tax for the period	-	-

### 7. Tangible fixed assets

	Freehold land	Leasehold Property	Total
	£	£	£
<b>Cost</b>			
At 1 August 2020 and 31 July 2021	900,000	5,150,676	6,050,676
<b>Depreciation</b>			
At 1 August 2020	-	2,614,646	2,614,646
Charge for the year	-	128,726	128,726
At 31 July 2021	-	2,743,372	2,743,372
<b>Net book value</b>			
At 31 July 2020	900,000	2,536,030	3,436,030
At 31 July 2021	900,000	2,407,304	3,307,304

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

### 8. Debtors: amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	<u>30,629</u>	<u>30,627</u>

Amounts owed by group undertakings are payable on demand and do not incur interest.

### 9. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	212,749	199,862
Amounts owed to group undertakings (see note 11)	967,230	963,270
Other creditors	6,913	9,185
VAT	4,302	4,987
Deferred capital grant (see note 12)	19,907	19,907
	<u>1,211,101</u>	<u>1,197,211</u>

### 10. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loan	55,260	268,011
Amounts owed to group undertakings (see note 11)	3,361,240	3,152,698
Deferred capital grant (see note 12)	346,198	366,104
Preference shares of £1 each	1,800,000	1,800,000
	<u>5,562,698</u>	<u>5,586,813</u>

The maturity on the bank loan is as follows:

	2021 £	2020 £
Due within one year	212,749	199,862
Due between one and two years	55,260	268,011
	<u>268,009</u>	<u>467,873</u>

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

### 11. Creditors: amounts falling due after more than one year - continued

Amounts owed to Group undertakings incur interest at 2.5% over Base Rate plus LIBOR (2020:2.5%).

The holders of preference shares have no right to participate in any dividend or other distribution nor are they entitled to receive notice of or to attend or vote at any general meetings of the company although on a return of assets on liquidation reduction of capital or otherwise the surplus of assets would first be applied in paying to the holders of the preference shares an amount per share equal to the subscription price paid.

### 12. Deferred capital grant

	2021 £	2020 £
At 1st August 2020	386,012	405,919
Released to statement of comprehensive income	(19,907)	(19,907)
At 31st July 2021	<u>366,105</u>	<u>386,012</u>

### 13. Share capital

	2021 £	2020 £
<b>Authorised</b>		
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 14. Related party disclosures

The company is controlled by its parent undertaking, the University of Sussex, which is also the ultimate controlling party. Amounts owed to the University of Sussex are shown in Notes 9 and 10.

During the year, the company provided services amounting to £102,096 (2020: £102,096) to Sussex Innovation Centre Management Limited a wholly owned subsidiary of the University of Sussex. These services were purchased on an arm's length basis. £30,629 is included within debtors at the year-end (2020: £30,629).

During the year, the company purchased services amounting to £8,269 (2020: £1,865) from Sussex Innovation Centre Management Ltd which is a subsidiary of the University of Sussex. £6,035 is included within creditors at the year-end (2020: £2,252).

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)**

### **15. Ultimate parent entity**

The company is a subsidiary of the University of Sussex. The largest group in which the results of the company are consolidated is that headed by the University of Sussex. The consolidated accounts of the University are available to the public and may be obtained from the University of Sussex, Sussex House, Falmer, Brighton, BN1 9RH. No other group accounts include the results of the company.