

PORTSMOUTH TECHNOPOLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016
REGISTERED NO: 04151164

THURSDAY



A21 *A659CNII* #250
27/04/2017
COMPANIES HOUSE

PORTSMOUTH TECHNOPOLE LIMITED

**Annual report and financial statements
for the period ended 31 July 2016**

	Pages
Directors and advisors	1
Report of the directors	2-3
Independent auditor's report	4-5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-13

PORTSMOUTH TECHNOPOLE LIMITED

Directors and advisors

Chair

Ms B Topham - appointed 30 Oct 2015

Directors

Professor GH Galbraith - appointed 30 Oct 2015

Ms EL Woollard - appointed 30 Oct 2015

Ms M Henry - resigned 6 August 2015

Mr PA Bradstock - resigned 30 October 2015

Mr IM Laing - resigned 30 October 2015

Mr MJ Wilkinson - resigned 30 October 2015

Secretary and Registered Office

Mr AJ Parry - appointed 30 Oct 2015

University House
Winston Churchill Avenue
Portsmouth
Hampshire
PO1 2UP

Statutory Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom

PORTSMOUTH TECHNOPOLE LIMITED

Report of the Directors for the period ended 31 July 2016

The Directors present their report and the audited financial statements for the period ended 31 July 2016.

The company has elected to take advantage of the exemption from preparing a Strategic Report in accordance with the provisions applicable to companies entitled to the small companies' exemptions.

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. Further details in respect of going concern are in note 1 to these financial statements.

Principal activities

The profit and loss account for the period is set out on page 6. All the operations of the company are continuing.

The decision was made to change the year end date to 31 July to bring it into line with the parent company, the University of Portsmouth. This means that direct comparison with the previous accounting period (1 April 2014 to 31 March 2015) is not possible, given that the 2015/2016 accounting year is a 16 month period (1 April 2015 to 31 Jul 2016).

The principal activities of the company are the provision of serviced office accommodation and conference room hire at the Portsmouth Technopole Building, Kingston Crescent, Portsmouth. Virtual office facilities are also available.

Review of business and future activities

The Technopole Innovation Centre is operationally managed by a third party company, Oxford Innovation Limited (OI), and all recurrent costs and income (from companies leasing space in the Technopole Centre) are collected in a customer account administered by OI.

Detailed spend and income information is provided by Oxford Innovation and forms the basis of the annual budget. The Board of Technology Enterprises Portsmouth Limited (100% owner of Portsmouth Technopole Limited) meets regularly during the year to discuss the centre's current performance and future prospects with representatives from Oxford Innovation.

A going concern review for the company is produced on an annual basis and has been considered and approved by the University's senior management and Governors (note 1).

Dividends

The Directors do not recommend the payment of a dividend (2015: £33,600).

Directors

The Directors of the company at the period end are set out on page 1.

No Directors held any beneficial interest in the shares of the Company at 31 July 2016, or at any time during the period.

Fixed assets

The company held fixed assets during the period totalling £3,080,000 £ (2015: £3,430,000).

PORTSMOUTH TECHNOPOLE LIMITED

Report of the Directors (continued)

Insurance of Directors

Portsmouth Technopole Limited maintains insurance for its Directors in respect of their duties as Directors of the company.

Directors' responsibilities statement

The directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

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

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

As far as the Directors are aware there is no relevant audit information of which the company's auditor is unaware. As Directors we have taken all steps we ought to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. We have made enquiries of our fellow Directors and of the auditor for that purpose and have taken such steps as required by our duties as Directors to exercise due care, skill and diligence. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Appointment of Auditor

Deloitte were appointed as auditors by the Directors in May 2016. Under section 487 of the Companies Act 2006, Deloitte LLP will be deemed to have been appointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

By order of the Board



Ms BJ Topham
Chair

24.4.17

Date:

PORTSMOUTH TECHNOPOLE LIMITED

Independent Auditor's Report To The Members Of Portsmouth Technopole Limited

We have audited the financial statements of Portsmouth Technopole Limited for the period ended 31 July 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2016 and of its profit for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PORTSMOUTH TECHNOPOLE LIMITED

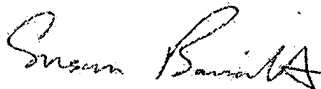
Independent Auditor's Report To The Members Of Portsmouth Technopole Limited (continued)
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



Susan Barratt BA ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

Date: 25 April 2017

PORTSMOUTH TECHNOPOLE LIMITED

**Profit and loss account
for the period ended 31 July 2016**

	Notes	31 July 2016 £	Restated 31 March 2015 £
Turnover		1,147,638	814,576
Cost of Sales		<u>(888,578)</u>	<u>(600,618)</u>
Gross Profit		259,060	213,958
Administrative expenses		(129,627)	(29,623)
Impairment		<u>(256,667)</u>	<u>0</u>
Operating (loss)/profit	2	(127,234)	184,335
Interest payable		<u>(1,358)</u>	<u>(50,658)</u>
(Loss)/profit before taxation		(128,592)	133,677
Taxation		<u>0</u>	<u>(19,256)</u>
(Loss)/profit after taxation		<u>(128,592)</u>	<u>114,421</u>

There has been no other comprehensive income, and accordingly no statement of comprehensive income has been prepared.

All the operations of the company are continuing.

PORTSMOUTH TECHNOPOLE LIMITED

Company Registration Number 04151164
Balance sheet as at 31 July 2016

	Notes	31 July 2016		Restated 31 March 2015	
		£	£	£	£
Fixed assets	4		3,080,000		3,430,000
Current Assets					
Debtors	5	334,039		11,981	
Cash at bank and in hand		183,987		161,778	
		<u>518,026</u>		<u>173,759</u>	
Creditors: amounts falling due within one year	6	(267,248)		(170,490)	
Net current assets			<u>250,778</u>		<u>3,269</u>
Total assets less current liabilities			3,330,778		3,433,269
Creditors: Amounts falling due after more than one year			0		(1,240,000)
			<u>3,330,778</u>		<u>2,193,269</u>
Called up share capital	9		1,915,850		650,000
Share Premium			251		0
Revaluation Reserve			500,536		757,203
Profit and loss account surplus			914,141		786,066
Equity shareholders' funds			<u>3,330,778</u>		<u>2,193,269</u>

The financial statements on pages 6 to 12 were approved by the Board of Directors and authorised for issue on 24/4/17 and were signed on its behalf by:

BJ Topham

Ms BJ Topham
Chair

24.4.17

PORTSMOUTH TECHNOPOLE LIMITED

**Statement of changes in equity
for the period ended 31 July 2016**

	Called-up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total
	£	£	£	£	£
At 31 March 2014 as previously stated	650,000	0	782,864	74,611	1,507,475
Changes on transition to FRS102 (see note 11)	0	0	(10,208)	540,000	529,792
At 1 April 2014 as restated	650,000	0	772,656	614,611	2,037,267
Profit for the financial year	0	0	0	114,421	114,421
Total comprehensive income	0	0	0	114,421	114,421
Transfer from revaluation reserve	0	0	(15,453)	15,453	0
Dividends paid	0	0	0	(33,600)	(33,600)
Reverse provision for corporation tax	0	0	0	75,181	75,181
At 31 March 2015	650,000	0	757,203	786,066	2,193,269
Loss for the financial period	0	0	0	(128,592)	(128,592)
Total comprehensive income	0	0	0	(128,592)	(128,592)
Issue of share capital	1,265,850	251	0	0	1,266,101
Transfer from revaluation reserve	0	0	(256,667)	256,667	0
At 31 July 2016	1,915,850	251	500,536	914,141	3,330,778

The profit and loss account represents cumulative profits or losses, net of dividends and gift aid paid.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the period ended 31 July 2016

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of the assumption depends upon the continued support of the University of Portsmouth and this support has been confirmed by the Board of Governors of the University. Consequently, the Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover is stated net of VAT and is related to the provision of serviced office accommodation and conference room hire at the Portsmouth Technopole Building, Kingston Crescent, Portsmouth. Virtual office facilities are also available.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. An annual review of buildings is undertaken to determine if there has been any impairment in the accounting period. The building is depreciated over the useful life of 50 years.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Taxation is not provided for in the case where there is a firm commitment and practice to remit taxable profits via the gift aid scheme.

Cash flow statement

The company is exempt from the requirement of FRS102 section 7 to produce a cash flow statement since it is a wholly owned subsidiary of a parent company which produces group financial statements incorporating a consolidated cash flow statement.

Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Accounting Estimates and Judgements

The Directors have considered all potential critical accounting judgements that the Company could have made in the process of applying the accounting policies. There are no significant judgements within the amounts recognised in the financial statements.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements (continued)
for the period ended 31 July 2016

Principal accounting policies (continued)

Going Concern

Since acquisition the directors have performed a full going concern review, and will continue to do so each year. Amongst other things, this includes consideration of budgets and management accounts, working capital requirements, outstanding legal issues and the stability of the cost base. The review was presented to the University of Portsmouth's Executive Board for discussion (September 2016). The review was then discussed and approved by the Company's Board of Directors (November 2016). The Company has also (November) received the annual letter of support from the University.

2. Operating profit

	2016	2015
	£	£
Operating profit is stated after charging:		
Management charge from University of Portsmouth	22,500	0
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	5,250	0

Other services from the auditor:

Remuneration of the company's auditor for the provision of taxation services for the company is £5,250 (2015: £0).

3. Directors emoluments

In the current period to the date of acquisition, remuneration paid to directors in respect of services to the company was £4,500 (2015: £8,917). From the date of acquisition the directors received emoluments from the ultimate parent company, the University of Portsmouth, but it is not practicable to allocate this between their services as executives of the parent company and other group entities and their services as directors of the company.

4. Fixed assets

	Land and Buildings £	Total £
Cost or valuation		
As at 31 March 2015	4,671,944	4,671,944
	4,671,944	4,671,944
Depreciation		
As at 31 March 2015	(1,241,944)	(1,241,944)
Depreciation (prior to acquisition)	(58,598)	(58,598)
Depreciation (post acquisition)	(34,735)	(34,735)
Impairment	(256,667)	(256,667)
	(1,591,944)	(1,591,944)
Net book value		
As at 31 July 2016	3,080,000	3,080,000
As at 31 March 2015	3,430,000	3,430,000

PORTSMOUTH TECHNOPOLE LIMITED

**Notes to the financial statements (continued)
for the period ended 31 July 2016**

5. Debtors	2016	2015
	£	£
Amounts falling due within one year		
Trade debtors	318,924	11,981
Prepayments and deposits	<u>15,115</u>	<u>0</u>
	<u>334,039</u>	<u>11,981</u>
6. Creditors		
Amounts falling due within one year		
Accruals and deferred income	<u>267,248</u>	<u>170,490</u>
	<u>267,248</u>	<u>170,490</u>

7. Rental income as lessor

At the balance sheet date, the company had contracted with tenants for the following future minimum licence to occupy payments:

	2016	2015
	£	£
- within one year	<u>62,815</u>	<u>69,399</u>

The tenants are startup and innovation companies and the licences to occupy are issued on a short term one month rolling contract basis.

8. Ultimate parent and controlling party

The Portsmouth Technopole Limited is incorporated in the United Kingdom and its company registration number is 04151164.

The Directors regard University of Portsmouth, a corporation registered under the Education Reform Act 1988, as the ultimate parent and controlling party. According to the register kept by the company, Technology Enterprise Portsmouth Limited has a 100% interest in the issued equity capital of the company at 31 July 2016.

Copies of the financial statements of the group can be obtained from University House, Winston Churchill Avenue, Portsmouth, PO1 2UP.

These results are consolidated into the University of Portsmouth's (parent) accounts.

PORTSMOUTH TECHNOPOLE LIMITED

**Notes to the financial statements (continued)
for the period ended 31 July 2016**

9. Called up share capital reserves

	2016	2015
	£	£
Allotted, called up and fully paid		
1,915,850 Ordinary A Shares of £1 each	1,915,850	650,000

The company has one class of ordinary shares which has no right to fixed income. On 30 October 2015 there was an allotment of 1,265,850 Ordinary shares nominal value £1 each for which was received £1,266,101 (£251 share premium).

There has been no other comprehensive income, and accordingly no statement of comprehensive income has been prepared.

All the operations of the company are continuing.

10. Related party transactions

The company has had material transactions with its ultimate parent, the University of Portsmouth. These transactions are eliminated in the Consolidated Financial Statements of the University of Portsmouth which are publicly available. Accordingly the company has availed itself of the dispensation in FRS102 s33 not to disclose such items in these financial statements.

11. Taxation reconciliation

The tax charge comprises:

	2016	2015
	£	£
Current tax on profit on ordinary activities	0	19,256
Deferred tax	<u>0</u>	<u>0</u>
Total tax on profit on ordinary activities	0	19,256

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015: 20.25%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2014.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Profit/(Loss) on ordinary activities before tax	<u>(128,592)</u>	<u>133,677</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.00% (2015: 20.25%)	(25,718)	27,070
Effects of:		
Expenses not deductible	51,338	0
Depreciation in excess of capital allowances	12,990	(7,814)
Gift aid	<u>(38,610)</u>	<u>0</u>
Total tax charge for the period	0	19,256

As at 31 July 2016 the company had unrecognised deferred tax assets of £16,213 (2015: £24,750).

PORTSMOUTH TECHNOPOLE LIMITED

**Notes to the financial statements (continued)
for the period ended 31 July 2016**

12. Transition to FRS102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS102 was therefore 1 April 2014. As a consequence of adopting FRS102, a number of accounting policies have changed to comply with that standard.

Reconciliation of equity:

	31 March 2015	1 April 2014
	£	£
Equity reported under previous UK GAAP	1,953,615	1,507,475
<u>Adjustments to equity on transition to FRS102</u>		
Revaluation of building	(401,187)	(10,208)
Release of deferred capital grant	540,000	540,000
Removal of deferred tax liability	75,181	0
Increase in profit	25,660	0
Equity reported under FRS102	2,193,269	2,037,267

Notes to the reconciliation of equity at 31 March 2015

- 1 On transition to FRS102 the directors made the election to account for the Technopole building on the historic cost basis, rather than on the revaluation basis. On transition, the building was revalued to deemed cost. On this basis, the impact of the revaluation as at 31 March 2015 which was previously disclosed has been removed from equity. This has also led to the downwards revaluation of the building at transition.
- 2 Under FRS102 the directors have a choice on how grants may be recognised, where there was previously not one. The directors have elected to recognise grants on the performance model, whereby they should be recognised as income when the conditions are met
- 3 Removal of deferred tax liability is made due to a change in accounting policy following legal advice. The directors expect that any future tax liability will be offset through gift aid payments made to the parent. Therefore, the deferred tax liability is therefore never expected to crystallise.

Reconciliation of profit for 2015:

	£
As at 31 March 2015	88,761
Reduced depreciation in 2014/15 due to earlier revaluation	25,660
Profit for the financial year restated under FRS102	114,421

Notes to the reconciliation of profit for 2015

As shown above, the valuation of the Technopole building throughout 2015 was lower under FRS102. This led to a reduced depreciation charge for the year.