

PORTSMOUTH TECHNOPOLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017
REGISTERED NO: 04151164



PORTSMOUTH TECHNOPOLE LIMITED

**Annual report and financial statements
for the year ended 31 July 2017**

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PORTSMOUTH TECHNOPOLE LIMITED

Directors and advisors

Chair

Ms B Topham

Directors

Professor GH Galbraith
Ms EL Woollard

Company secretary and Registered Office

Mr AJ Parry
University House
Winston Churchill Avenue
Portsmouth
Hampshire
England
PO1 2UP

Statutory auditor

Deloitte LLP
Statutory Auditor
Abbott's House
Abbey Street
Reading
United Kingdom

PORTSMOUTH TECHNOPOLE LIMITED

Report of the directors for the year ended 31 July 2017

The directors present their annual report and the audited financial statements for the year ended 31 July 2017.

Going concern

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. 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. Further details in respect of going concern are in note 1 to these financial statements.

Principal activities

The profit and loss account for the year is set out on page 8. All the operations of the company are continuing.

During the prior period, the decision was made to change the period end date to 31 July to bring it into line with the parent company, the University of Portsmouth. This means that direct comparison of the current accounting period (1 August 2016 to 31 July 2017) with the previous accounting period (1 April 2015 to 31 July 2016) is not possible, given that the 2015/2016 accounting period is a 16 month period.

Portsmouth Technopole Limited is a private company limited by shares and 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 provided.

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 (Holdings) Limited, in turn 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.

Dividends

The directors do not recommend the payment of a dividend (2016: nil). A gift aid payment of £193,051 (2016: £nil) was made to the University of Portsmouth during the year.

Directors

The directors of the company who have held office in the period since 1 August 2016 until the date these financial statements were signed are set out on page 1.

No directors held any beneficial interest in the shares of the company at 31 July 2017, or at any time during the year.

PORTSMOUTH TECHNOPOLE LIMITED

Report of the directors (continued)

Fixed assets

The company held fixed assets during the year totalling £3,015,385 (2016: £3,080,000).

Insurance of directors

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

PORTSMOUTH TECHNOPOLE LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year. 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

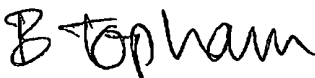
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

In preparing their report the directors have taken advantage of the disclosure exemptions available to small companies provided by the Companies Act 2006, including the exemption from preparing a Strategic Report.

By order of the Board



Ms BJ Topham
Chair

14.12.17

Date:

PORTSMOUTH TECHNOPOLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSMOUTH TECHNOPOLE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Portsmouth Technopole Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- statement of changes in equity; and
- the related notes 1 to 14.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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.

PORTSMOUTH TECHNOPOLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSMOUTH TECHNOPOLE LIMITED (CONTINUED)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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 any material misstatements in the directors' report.

PORTSMOUTH TECHNOPOLE LIMITED

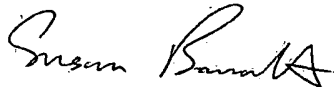
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSMOUTH TECHNOPOLE LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Susan Barratt BA ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, UK

15th December 2017

PORTSMOUTH TECHNOPOLE LIMITED

**Profit and loss account
for the year ended 31 July 2017**

	Notes	Year ended 31 July 2017 £	16 month period ended 31 July 2016 £
Turnover		751,287	1,147,638
Cost of sales		<u>(577,498)</u>	<u>(888,578)</u>
Gross profit		173,789	259,060
Administrative expenses		(119,052)	(129,627)
Impairment		<u>0</u>	<u>(256,667)</u>
Operating (loss)/profit	2	54,737	(127,234)
Interest payable	3	<u>0</u>	<u>(1,358)</u>
(Loss)/profit before taxation		54,737	(128,592)
Taxation		<u>(27,008)</u>	<u>0</u>
(Loss)/profit after taxation		<u><u>27,729</u></u>	<u><u>(128,592)</u></u>

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

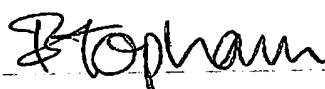
All the operations of the company are continuing.

PORTSMOUTH TECHNOPOLE LIMITED

Company Registration Number 04151164
Balance sheet as at 31 July 2017

	Notes	Year ended 31 July 2017		16 month period ended 31 July 2016	
		£	£	£	£
Fixed assets	6	3,015,385		3,080,000	
Current assets					
Debtors	7	84,308		334,039	
Cash at bank and in hand		181,979		183,987	
		<u>266,287</u>		<u>518,026</u>	
Creditors: Amounts falling due within one year	8	(116,216)		(267,248)	
Net current assets		<u>150,071</u>		<u>250,778</u>	
Total assets less current liabilities		3,165,456		3,330,778	
Net assets		<u><u>3,165,456</u></u>		<u><u>3,330,778</u></u>	
Called up share capital	11	1,915,850		1,915,850	
Share premium		251		251	
Revaluation reserve		490,035		500,536	
Profit and loss account		<u>759,320</u>		<u>914,141</u>	
Equity shareholders' funds		<u><u>3,165,456</u></u>		<u><u>3,330,778</u></u>	

The financial statements on pages 8 to 15 were approved by the Board of Directors and authorised for issue on 14th December 2017 and were signed on its behalf by:



Ms BJ Topham
Chair

PORTSMOUTH TECHNOPOLE LIMITED

**Statement of changes in equity
for the year ended 31 July 2017**

	Called-up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
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
At 1 August 2016	1,915,850	251	500,536	914,141	3,330,778
Profit for the financial year	0	0	0	27,729	27,729
Total comprehensive income	0	0	0	27,729	27,729
Issue of share capital	0	0	0	0	0
Transfer from revaluation reserve	0	0	(10,501)	10,501	0
Gift aid paid	0	0	0	(193,051)	(193,051)
At 31 July 2017	1,915,850	251	490,035	759,320	3,165,456

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 year ended 31 July 2017

1. Principal accounting policies

Portsmouth Technopole Limited is a private company limited by shares with company registration number 04151164 and registered address University House, Winston Churchill Avenue, Portsmouth, PO1 2UP. The company is registered in England and Wales.

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 (FRS 102) 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.

The company undergoes a full going concern review 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 (4th September 2017). The review was then approved by the company's Board of Directors (December 2017). The company has also (23rd November 2017) received the annual letter of support from the University.

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 year. 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.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements (continued) for the year ended 31 July 2017

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash flow statement

The company is exempt from the requirement of FRS 102 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.

Accounting estimates and judgments

The directors have considered all potential critical accounting judgements and estimates that the company could have made in the process of applying the accounting policies. There are no significant judgements or estimates within the amounts recognised in the financial statements.

Income recognition

Income from the sale of goods or services is credited to the profit and loss account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

2. Operating (loss) / profit

	Year ended 31 July 2017	16 month period ended 31 July 2016
	£	£
Operating profit is stated after charging:		
Management charge from University of Portsmouth	30,000	22,500
Fees payable to the company's auditor for the audit of the company's financial statements	5,350	5,250
Depreciation	64,615	93,333
Impairment	0	256,667

Other services from the auditor:

Remuneration of the company's auditor for the provision of taxation services for the company is £10,250 (2016: £nil).

3. Interest payable

No interest was paid during the current year (2016: £1,334 was paid in respect of the mortgage paid off upon acquisition and £24 relating to corporation tax payment).

PORTSMOUTH TECHNOPOLE LIMITED

**Notes to the financial statements (continued)
for the year ended 31 July 2017**

4. Directors emoluments

In the current period no remuneration was paid to the directors in respect of services to the company. The directors of the company who have held office during the current year are employed by the University of Portsmouth, which pays them for services they provide to the University. The services they provide for the company are incidental to this role, and as such the remuneration receivable by the directors in respect of qualifying services to the company is nil (2016: £4,500).

5. Employee information

There were no employees during the year (2016: nil).

6. Fixed assets

	Land and Buildings £	Total £
Cost or valuation		
As at 31 July 2016	4,671,944	4,671,944
	4,671,944	4,671,944
Depreciation		
As at 31 July 2016	(1,591,944)	(1,591,944)
Depreciation	(64,615)	(64,615)
	(1,656,559)	(1,656,559)
Net book value		
As at 31 July 2017	3,015,385	3,015,385
As at 31 July 2016	3,080,000	3,080,000

7. Debtors

	2017 £	2016 £
Amounts falling due within one year		
Trade debtors	84,308	318,924
Prepayments and deposits	0	15,115
	84,308	334,039

8. Creditors

	2017 £	2016 £
Amounts falling due within one year		
Accruals and deferred income	79,968	202,942
Amounts owed to parent	0	22,500
Other taxes and social security	9,240	41,806
Current tax payable	27,008	0
	116,216	267,248

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements (continued) for the year ended 31 July 2017

9. Rental income as lessor

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

	2017	2016
	£	£
-- within one year	<u>116,067</u>	<u>62,815</u>

Licenses to occupy are issued to tenants on a short term rolling contract basis with one to three month notice periods.

10. Ultimate parent and controlling party

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, Portsmouth Technopole (Holdings) Limited has a 100% interest in the issued equity capital of the company at 31 July 2017.

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

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

11. Called up share capital

	2017	2016
	£	£
Authorised, allotted, called up and fully paid 1,915,850 Ordinary A Shares of £1 each	1,915,850	1,915,850

The company has one class of ordinary shares which has no right to fixed income.

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.

12. 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 FRS 102 s33 not to disclose such items in these financial statements. Balances are as a result of normal trading and are on normal commercial terms.

PORTSMOUTH TECHNOPOLE LIMITED

**Notes to the financial statements (continued)
for the year ended 31 July 2017**

13. Taxation reconciliation

The tax charge comprises:

	Year to 31 July 2017	16 month period to 31 July 2016
	£	£
Prior year tax on profit on ordinary activities	26,408	0
Interest due to HMRC	600	0
Current tax on profit on ordinary activities	0	0
Deferred tax	<u>0</u>	<u>0</u>
Total tax on profit on ordinary activities	27,008	0

The standard rate of tax applied to reported profit on ordinary activities is 19.67% (2016: 20%).

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>54,737</u>	<u>(128,592)</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.67% (2016: 20%)	10,764	(25,718)
Effects of:		
Expenses not deductible	273	51,338
Deferred tax not provided	(3,376)	0
Depreciation in excess of capital allowances	12,707	12,990
Gift aid	(20,368)	(38,610)
Adjustment from previous periods	<u>26,408</u>	<u>0</u>
Total tax charge for the year	26,408	0

As at 31 July 2017 the company had unrecognised deferred tax assets at the closing rate of £13,295 (2016: £16,213) in relation to fixed asset timing differences.

14. Subsequent events

The directors do not consider that there are any post balance sheet events that would impact the values of assets or liabilities recognised in the balance sheet at period-end.