Company Registration No. 2753431

UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

Report and Financial Statements

Year ended 31 July 2016

Mithras House
Lewes Road
Brighton
East Sussex BN2 4AT

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REPORT AND FINANCIAL STATEMENTS 2016

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REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS (as at 31 July 2016)

Mr J Harley (appointed 1 August 2015)
Professor Debra Humphris (appointed 24 December 2015)
Professor Andrew Lloyd (appointed 6 May 2016)
Professor Susan Baxter (appointed 6 May 2016)
Dr T Simpson
Professor D Arnold (resigned 21 November 2015)
Professor J Crampton (resigned 30 November 2015)
Professor B Brown (resigned 31 December 2015)
Mr C Baker (resigned 9 October 2015)

SECRETARY

Mrs S Hare

REGISTERED OFFICE

Mithras House
Lewes Road
Brighton
East Sussex
BN2 4AT

AUDITORS

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

BANKERS

Barclays Bank Plc
139-142 North Street
Brighton
BN1 7RU

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2016.

ACTIVITIES

The principal activity of the company is to provide services such as contract research and consultancy, and to commercially exploit the intellectual and physical resources held by the University of Brighton.

BUSINESS REVIEW

Turnover has declined by £277,519 from last year to £1,117,530, which represents a fall of 19.9%. This reduction is as a result of anticipated falls in income from contract research.

The number of research contracts in place during the year was 16, which compares to 22 for last year. This downward change led to a 41.8% reduction in income (to £355,863 for the year). One of the contributing factors to this change was the shift in research activity by the School of Computing, Engineering and Mathematics to Research Council projects (which are delivered by the University).

Consultancy income has also fallen by 10.4%, which is in line with the reduction in the number of contracts active during the year.

Income from Accommodation & Hospitality Services has increased by 12.7% to £352,960, due mainly to increase in Catering income.

The state of affairs of the company as at the year-end is shown in the Balance Sheet position on page 7. The profit on ordinary activities after taxation for the year ended 31 July 2016 was £1,606 (2015; £1,799 profit) following the payment to the University of Brighton of £174,870 (2015; £267,047) under deed of covenant. The directors are optimistic about the future prospects of the company.

PRINCIPAL RISKS AND UNCERTAINTITES

The key business risks and uncertainties faced by the company are the failure to maximise revenue income generated through the university's commercial activities and the ability to optimise the intellectual property generated by the University.

The Board of Directors receive regular management information reports on the company's activities to mitigate these risks and uncertainties. In addition, as the company is a wholly owned subsidiary of the University of Brighton, additional mitigation is provided through the established risk management processes within the University.

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year:

Mr J Harley (appointed 1 August 2015)
Professor Debra Humphris (appointed 24 December 2015)
Professor Andrew Lloyd (appointed 6 May 2016)
Professor Susan Baxter (appointed 6 May 2016)
Dr T Simpson
Professor D Arnold (resigned 21 November 2015)
Professor J Crampton (resigned 30 November 2015)
Professor B Brown (resigned 31 December 2015)
Mr C Baker (resigned 9 October 2015)

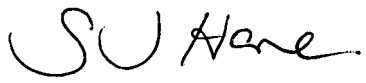
DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors is aware of that information.

ANNUAL GENERAL MEETING AND AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors
and signed on behalf of the Board



Mrs S Hare
Secretary

University of Brighton Trading Company
Mithras House
Lewes Road
Brighton
East Sussex
BN2 4AT

25 November 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

We have audited the financial statements of the University of Brighton Trading Company Limited for the year ended 31 July 2016 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 position for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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; 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 exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square London E14 5GL

25 November 2016

PROFIT & LOSS STATEMENT

Year ended 31 July 2016

	Note	2016 £	2015 £
TURNOVER	2	1,117,530	1,395,050
Cost of sales		(675,519)	(824,389)
Gross profit		442,011	570,661
Administrative expenses		(265,664)	(302,092)
OPERATING PROFIT	2, 3	176,347	268,569
Interest receivable and similar income	4	129	277
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		176,476	268,846
Tax on profit on ordinary activities	6	(34,974)	(55,270)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		141,502	213,576

All activities derive from continuing operations.

Notes from pages 10 to 13 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	2016 £	2015 £
Total Shareholders' funds	**£101,799**	**£100,000**
Profit for the Year after tax	£141,502	£213,276
Tax charge mitigated by payment under deed of covenant	£34,974	£55,570
Payment under Deed of Covenant to University	(£174,870)	(£267,047)
Profit for the Year	£1,607	£1,799
Total Shareholders' funds	**£103,406**	**£101,799**

BALANCE SHEET

As at 31 July 2016

	Note		2016		2015
		£	£	£	£
FIXED ASSETS					
Investments	7		214		214
CURRENT ASSETS					
Stocks - goods for resale		26,728		25,236	
Debtors	8	392,096		301,423	
Cash at bank and in hand		303,076		350,858	
		721,900		677,517	
CREDITORS: amounts falling due within one year	9	(618,709)		(575,932)	
NET CURRENT ASSETS			103,192		101,585
TOTAL ASSETS LESS CURRENT LIABILITIES			103,406		101,799
NET ASSETS			**103,406**		**101,799**
Share capital	10		100,000		100,000
Profit & loss Account	11		3,406		1,799
TOTAL SHAREHOLDERS' FUNDS			**103,406**		**101,799**

The financial statements were approved by the Board of Directors on 25 November 2016.

Notes from pages 10 to 13 form part of the financial statements.

Signed on behalf of the Board of Directors

John Harley
Director

25 November 2016

Company Registration No. 2753431

NOTES TO THE ACCOUNTS
Year ended 31 July 2016

1. ACCOUNTING POLICIES

The financial statements have been prepared for the first time in accordance with Financial Reporting Standard 102. The main impact of this is the inclusion in the accounts of a new section entitled "Statement of changes in equity", which is shown on page 8 of the accounts. This new section sets out for the year the taxable profit, the tax charge, and the payment by the Trading Company to the University under Deed of Covenant, the effect of which is to reduce the tax liability for the company to nil. Previously this information was contained in the Profit & Loss Statement.

There are no significant changes due to the introduction of FRS 102.

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow

Under FRS 102 paragraph 7 point b the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Turnover

Turnover represents the invoiced value, excluding value added tax, of services supplied.

Stocks

Goods for resale are stated at the lower of cost and net realisable value.

Going Concern

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Tax

Deferred taxation would normally be recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred. However, deferred tax assets and liabilities are not recognised as the company has a policy to eliminate taxable profits by deed of covenants and therefore no asset or liability is likely to arise.

These policies have been reviewed in accordance with FRS102 section 8 and are still considered relevant.

NOTES TO THE ACCOUNTS
Year ended 31 July 2016

2. ANALYSIS OF TURNOVER AND OPERATING PROFIT

	2016 Turnover £	2016 Operating profit £	2015 Turnover £	2015 Operating profit £
Class of business:				
Non award bearing courses	5,691	(928)	7,596	3
Consultancy	304,474	21,054	339,694	47,768
Research	355,863	(658)	611,044	35,775
Trading activities	98,542	34,149	123,518	45,017
Catering and conferences	352,960	122,730	313,198	140,006
	1,117,530	176,347	1,395,050	268,569

All turnover arises in the United Kingdom.

3. OPERATING PROFIT

The auditors of the company are also auditors of the parent undertaking. The audit fee of £5,000 (2015; £5,000) in respect of their financial statements have been borne by the parent undertaking.

The company had no employees, other than the directors, during the year (2015 - nil). All services are performed by employees of the parent undertaking, the University of Brighton. The directors received no emoluments in respect of their services to the company in the current or prior year.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Bank deposit and short term interest	129	277

5. DEED OF COVENANT

The company covenants all of its profits to the University of Brighton. In the year ended 31 July 2016 an amount of £174,870 (2015; £267,047) was due to be paid to the University of Brighton under deed of covenant.

NOTES TO THE ACCOUNTS
Year ended 31 July 2016

6. TAX ON ORDINARY ACTIVITIES

The University of Brighton Trading Company Limited distributes its profits to the University of Brighton by way of a deed of covenant.

	2016 £	2015 £
Profit / (Loss) on ordinary activities before taxes	176,476	268,846
Profit / (Loss) on ordinary activities before tax at 20.00% (2015; 20.67%)	35,295	55,570
Effects of:		
Depreciation in excess of capital allowances	-	(428)
Expenses not deductible for tax purposes	19	57
Deferred Tax	(340)	-
Deed of covenant	(0)	(55,199)
Current tax charge for the period	34,974	55,570
Tax impact of Deed of Covenant	(34,974)	
Recognised in Profit & Loss account	34,974	
Recognised in Statement of Change in Equity	(34,974)	

7. INVESTMENTS HELD AS FIXED ASSETS

As a result of the merger between Lab 21 and Novacyt SA, the company now owns 40 shares in NOVACYT SA. To date NOVACYT SA has issued in total 5.5M shares. This company is registered in France and operates worldwide.

In January 2014 the company received as consideration 2,000 1p ordinary shares in nGauge, in exchange for granting a sub-licence to nGauge to exploit certain intellectual property held by the University in relation to diabetic peripheral retinopathy. This shareholding equates to 20% of the available equity. As the University does not exercise a significant influence on the company it is not accounted for as an associate.

8. DEBTORS

	2016 £	2015 £
Due within one year:		
Trade debtors	269,470	252,092
Prepayments and accrued income	122,626	49,331
TOTAL	**392,096**	**301,423**

NOTES TO THE ACCOUNTS
Year ended 31 July 2016

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed to parent undertaking	252,131	300,510
Other taxation	75,095	64,893
Accruals and deferred income	291,483	210,529
TOTAL	**618,709**	**575,932**

10. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Called up, allotted and fully paid		
100,000 ordinary shares of £1 each	100,000	100,000

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2015 £	2014 £
Profit for the year	1,606	1,799
Retained profit brought forward	1,799	-
Retained profit carried forward	3,406	1,799

12. RELATED PARTY TRANSACTIONS

As the University of Brighton owns 100% of the issued share capital of the company, advantage has been taken of the provisions contained in FRS 102 33.1a which allows non-disclosure of transactions or balances with entities which form part of the group of related parties.

13. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of the University of Brighton which is the ultimate parent. The consolidated financial statements of the group are available to the public and may be obtained from:

University of Brighton
Mithras House
Lewes Road
Brighton BN2 4AT