

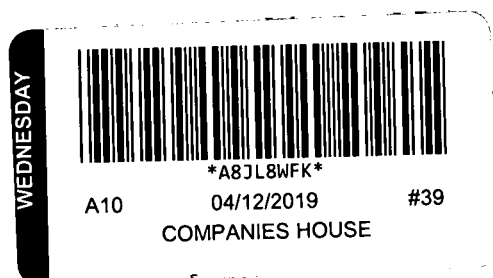
**Company Registration No. 2753431**

**UNIVERSITY OF BRIGHTON  
TRADING COMPANY LIMITED**

**Report and Financial Statements**

**Year ended 31 July 2019**

**Mithras House  
Lewes Road  
Brighton  
East Sussex BN2 4AT**



**REPORT AND FINANCIAL STATEMENTS 2019**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2-3</b>
<b>Directors' statement of responsibilities</b>	<b>4</b>
<b>Independent auditor's report to the members of the University of Brighton Trading Company</b>	<b>5-6</b>
<b>Consolidated Income Statement</b>	<b>7-8</b>
<b>Consolidated Statement of Financial Position</b>	<b>9</b>
<b>Notes to the accounts</b>	<b>10-13</b>

**REPORT AND FINANCIAL STATEMENTS 2019**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS** (as at 31 July 2019)

Professor Debra Humphris  
Professor Tara Dean  
Professor Andrew Lloyd

**REGISTERED OFFICE**

Mithras House  
Lewes Road  
Brighton  
East Sussex  
BN2 4AT

**AUDITOR**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

**BANKER**

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 2019

## **ACTIVITIES**

During the year ended 31 July 2019, the company's principal activity was to provide services such as contract research and consultancy, and to commercially exploit the intellectual and physical resources held by the University of Brighton. However, the directors took the decision that from the 13<sup>th</sup> November 2018 the company would become dormant once all current trading activities ceased or had been transferred to the University. The directors have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

## **BUSINESS REVIEW**

Turnover has fallen compared to last year by 33.2%, from £871,670 to £582,042. The year on year movements within this result are summarised below.

Revenue from research contracts decreased by 78.0% to £39,175. Almost all the contracts which were live in 2017-18 were completed during that period.

Consultancy revenue grew by 4.7% to £282,033. The number of live contracts fell from 52 in 2017-18 to 35 in 2018-19, however the average revenue per contract rose from £5,181 to £8,058.

Revenue from catering, conferences and events management services fell by 39.3% to £207,268. A move was made towards renting space to international language schools, and away from self-catering and short-term rentals. Revenue from the former source is attributed to the parent undertaking.

The state of affairs of the company as at the 2018-19 year-end is shown in the Statement of Financial Position on page 9.

The profit for the year ended 31 July 2019 was £895 (2018; £965 profit) following the payment to the University of Brighton of £75,812 (2018; £184,188) under deed of covenant.

## **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:

Professor Debra Humphris  
Professor Tara Dean  
Professor Andrew Lloyd  
Professor Susan Baxter (resigned 13.11.18)

## **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 auditor is aware of that information.

## **ANNUAL GENERAL MEETING AND AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor 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



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

27 November 2019

## 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 Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED**

## **Opinion**

We have audited the financial statements of the University of Brighton Trading Company ("the company") for the year ended 31 July 2019, which comprise the income statement, statement of changes in equity, the statement of financial position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## **Emphasis of matter – non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

## **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; 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**

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



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

27 November 2019



**INCOME STATEMENT****Year ended 31 July 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>TURNOVER</b>	<b>2</b>	<b>582,042</b>	<b>871,670</b>
Cost of sales		(408,813)	(541,544)
		<hr/>	<hr/>
Gross profit		173,229	330,126
Administrative expenses		(98,889)	(145,807)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	<b>2, 3</b>	<b>74,340</b>	<b>184,319</b>
Interest receivable and similar income	<b>4</b>	2,368	837
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>76,708</b>	<b>185,156</b>
Tax on profit on ordinary activities	<b>6</b>	(14,405)	(34,999)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>62,303</b>	<b>150,157</b>

All activities derive from continuing operations.

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

**STATEMENT OF CHANGES IN EQUITY**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Total Opening Shareholders' funds	<b>105,495</b>	<b>104,530</b>
Profit for the Year after tax	62,303	150,157
Tax charge mitigated by payment under deed of covenant	14,405	34,996
Payment under Deed of Covenant to University	(75,812)	(184,188)
Profit for the Year	895	965
Total Closing Shareholders' funds	<b>106,390</b>	<b>105,495</b>

**STATEMENT OF FINANCIAL POSITION****As at 31 July 2019**

	Note	2019	2018
		£	£
<b>FIXED ASSETS</b>			
Investments	7	194	194
<b>CURRENT ASSETS</b>			
Stocks - goods for resale		19,792	22,749
Debtors	8	103,721	210,256
Cash at bank and in hand		250,566	299,558
		<u>374,079</u>	<u>532,563</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(267,883)</u>	<u>(427,262)</u>
<b>NET CURRENT ASSETS</b>		<u>106,196</u>	<u>105,301</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>106,390</u>	<u>105,495</u>
<b>NET ASSETS</b>		<u><u>106,390</u></u>	<u><u>105,495</u></u>
Share capital	10	100,000	100,000
Profit & loss Account	11	6,390	5,495
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u><u>106,390</u></u>	<u><u>105,495</u></u>

The financial statements were approved by the Board of Directors on 27 November 2019.

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



Director

27 November 2019

Company Registration No. 2753431

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2019**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Financial Reporting Standard 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**

In previous years, the financial statements have been prepared on a going concern basis. However, the directors took the decision that from the 13<sup>th</sup> November 2018 the company would not enter into any new contracts and should become dormant once current trading activity had ceased. All contracts which the University of Brighton Trading Company Limited are party to have been novated to the University of Brighton. In 2019-20, the remaining assets and liabilities will be transferred from the University of Brighton Trading Company Limited to the University of Brighton. Accordingly, the directors have not prepared the financial statements on a going concern basis.

**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.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2019**

**2. ANALYSIS OF TURNOVER AND OPERATING PROFIT**

	2019 Turnover £	2019 Operating profit £	2018 Turnover £	2018 Operating profit £
Class of business:				
Non award bearing courses	0	0	1,005	1,005
Consultancy	282,033	8,809	269,427	23,638
Research	39,175	(6,108)	177,985	14,379
Trading activities	53,566	12,840	81,632	21,857
Catering and conferences	207,268	58,799	341,621	123,440
	<u>582,042</u>	<u>74,340</u>	<u>871,670</u>	<u>184,319</u>

All turnover arises in the United Kingdom.

**3. AUDIT FEE AND DIRECTORS RENUMERATION**

The auditors of the company are also auditors of the parent undertaking. The audit fee of £5,135 exclusive of VAT (2018; £5,000) and Corporation Tax services of £5,000 exclusive of VAT (2018: £4,925) in respect of their financial statements have been borne by the parent undertaking. No charge for services is therefore included in the Operating Profit.

The company had no employees, other than the directors, during the year (no change from 2017-18). 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**

	2019 £	2018 £
Bank deposit and short term interest	<u>2,368</u>	<u>837</u>

**5. DEED OF COVENANT**

The company covenants all of its profits to the University of Brighton. In the year ended 31 July 2019 an amount of £75,812 (31 July 2018; £184,188) was due to be paid to the University of Brighton under deed of covenant.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2019**

**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.

	2019 £	2018 £
Profit / (Loss) on ordinary activities before taxes	76,708	185,156
Profit / (Loss) on ordinary activities before tax at 19.00% (2018; 19.00%)	14,575	35,180
Effects of:		
Depreciation in excess of capital allowances	-	-
Expenses not deductible for tax purposes	8	33
Deferred Tax	(178)	(217)
Deed of covenant	-	(0)
Current tax charge for the period	14,405	34,996
Tax charge relating to previous period	-	3
Tax impact of Deed of Covenant	(14,405)	(34,996)
Recognised in Profit & Loss account	14,405	34,999
Recognised in Statement of Change in Equity	(14,405)	(34,996)
Recognised in Statement of Change in Equity	14,405	34,996

**7. INVESTMENTS HELD AS FIXED ASSETS**

As a result of the merger between Lab 21 and Novacyt SA, the company owns 40 shares in NOVACYT SA. To date NOVACYT SA has issued in total 37.66M shares. This company is registered in France and operates worldwide.

**8. DEBTORS**

	2019 £	2018 £
<b>Due within one year:</b>		
Trade debtors	42,033	116,837
Prepayments and accrued income	61,688	93,419
<b>TOTAL</b>	<b>103,721</b>	<b>210,256</b>

**NOTES TO THE ACCOUNTS****Year ended 31 July 2019****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed to parent undertaking	187,575	269,278
Other taxation	16,460	40,470
Accruals and deferred income	63,848	117,514
	<hr/>	<hr/>
<b>TOTAL</b>	<b>267,883</b>	<b>427,262</b>
	<hr/> <hr/>	<hr/> <hr/>

**10. CALLED UP SHARE CAPITAL**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Called up, allotted and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/> <hr/>	<hr/> <hr/>

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit for the year	895	965
Retained profit brought forward	5,495	4,530
	<hr/>	<hr/>
Retained profit carried forward	6,390	5,495
	<hr/> <hr/>	<hr/> <hr/>

**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