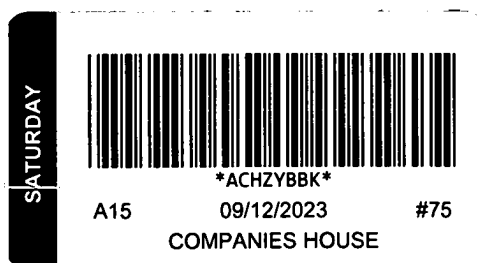


PORTSMOUTH TECHNOPOLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REGISTERED NO: 04151164



PORTSMOUTH TECHNOPOLE LIMITED

Annual report and financial statements for the year ended 31 July 2023

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PORTSMOUTH TECHNOPOLE LIMITED

Directors and advisors

Chair

Professor J Howells

Directors

Professor GH Galbraith
Ms EL Woollard (resigned 31/08/2023)
Mrs SL Duckering
Ms BJ Topham (resigned 31/08/2023)

Company Secretary and Registered Office

Mrs C Dunning (appointed 01/01/2023)
Mr A Parry (resigned 31/12/2022)
University House
Winston Churchill Avenue
Portsmouth
Hampshire
Englandt
PO1 2UP

Statutory Auditor

KPMG LLP
66 Queen Square
Bristol
BS1 4BE

PORTSMOUTH TECHNOPOLE LIMITED

Directors' report for the year ended 31 July 2023

The directors present their annual report and the audited financial statements for the year ended 31 July 2023.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the going concern period, being 12 months from the date of these financial statements. A going concern review for the company is produced on an annual basis and has been considered and approved by the directors. Further, University of Portsmouth has confirmed that it anticipates the entity continuing to operate, and will provide financial support if required for a period of no less than 12 months from the date of signing the accounts. The loan provided to Portsmouth Technopole Limited (PTL) by the University is an illustration of this support.

Principal activities

The profit and loss account for the year is set out on page 9. All the operations of the company are continuing.

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 Innovation Centre, Kingston Crescent, Portsmouth. Virtual office facilities are also provided.

Review of business and future activities

The Portsmouth Technopole Innovation Centre is owned and managed by PTL under the University of Portsmouth 'Innovation Connect' brand.

Income in the year at £714,574 (2022: £678,173) is slightly higher than the prior year, and a loss is reported for the year of £74,084 (2022: of £99,050 loss). This higher income and decreased loss versus the prior year is as a result of improved occupancy and pricing, and careful control of operating costs.

Occupancy at 31st July 2023 was 81% (1st Aug 2022 78%), and average occupancy during the year was 88% (2022 81%).

PTL manages the centre, with support services provided on a cost sharing basis by the University of Portsmouth who is the ultimate parent of PTL. This enables the group to take advantage of synergies in procurement and services provision, to better understand and manage the finances of the company, and to further integrate the Technopole Innovation Centre into the UoP group and in particular into the University's Innovation Connect innovation centres umbrella brand. The directors of the company are continuing to develop strategies to improve the profitability of the centre.

The company held fixed assets during the year totalling £2,388,841 (2022: £2,479,872).

Dividends

The directors do not recommend the payment of a dividend (2022: £nil). No gift aid payment was made during the period (2022: £nil).

Directors

The directors of the company who have held office in the period since 1 August 2022 until the date these financial statements were signed are set out on page 1.

Directors' qualifying third party indemnity insurance

PORTSMOUTH TECHNOPOLE LIMITED

Portsmouth Technopole Limited maintains Directors' and Officers' Liability Insurance for the benefit of its directors in respect of their duties as directors of the company. This group insurance is also for the benefit of directors of Technopole's parent company (Technology Enterprises Portsmouth Limited), the ultimate parent company (the University of Portsmouth), and other subsidiaries owned by University of Portsmouth (University of Portsmouth Enterprises Limited, University of Portsmouth Services Limited, and ASTA Technology UK Limited).

Auditor

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

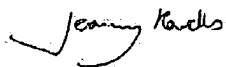
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

KPMG 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.

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



Professor J Howells
Chair

Date: 27th November 2023

PORTSMOUTH TECHNOPOLE LIMITED

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 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- 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.

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 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, 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.

PORTSMOUTH TECHNOPOLE LIMITED

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

Opinion

We have audited the financial statements of Portsmouth Technopole Ltd ("the Company") for the year ended 31 July 2023 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of the directors as to the company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

PORTSMOUTH TECHNOPOLE LIMITED

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

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on applying our professional judgement and to incorporate an element of unpredictability and comparing the identified entries to supporting documentation. These included unexpected postings to revenue.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not

PORTSMOUTH TECHNOPOLE LIMITED

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

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 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.

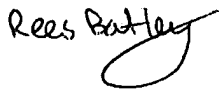
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

PORTSMOUTH TECHNOPOLE LIMITED

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

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.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

28th November 2023

PORTSMOUTH TECHNOPOLE LIMITED

Profit and loss account for the year ended 31 July 2023

	Note	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Turnover		714,574	678,173
Cost of sales		<u>(637,879)</u>	<u>(637,703)</u>
Gross profit		76,695	40,470
Administrative expenses		(160,866)	(137,413)
Other income		<u>10,087</u>	<u>-</u>
Operating loss	2	(74,084)	(96,943)
Interest receivable and similar income	5	3,153	-
Interest payable	6	<u>(4,493)</u>	<u>(2,107)</u>
Loss before tax		(75,424)	(99,050)
Tax	7	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(75,424)</u>	<u>(99,050)</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.

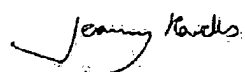
PORTSMOUTH TECHNOPOLE LIMITED

Company Registration Number 04151164
Balance sheet as at 31 July 2022

	Note	31 July 2023 £	31 July 2022 £
Fixed assets			
Tangible assets	8	2,388,841	2,479,872
Current assets			
Debtors	9	37,287	13,516
Cash at bank and in hand		<u>215,946</u>	<u>239,329</u>
		253,233	252,845
Creditors: Amounts falling due within one year	10	(153,240)	(172,952)
Net current assets		<u>99,993</u>	<u>79,893</u>
Total assets less current liabilities		2,488,834	2,559,765
Creditors: Amounts falling due after more than one year	11	(107,123)	(102,630)
Net assets		<u>2,381,711</u>	<u>2,457,135</u>
Capital and reserves			
Called up share capital	13	1,915,850	1,915,850
Share premium account		251	251
Revaluation reserve		211,807	219,575
Profit and loss account		<u>253,803</u>	<u>321,459</u>
Shareholders' funds		<u>2,381,711</u>	<u>2,457,135</u>

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27th November 2023 and were signed on its behalf by:



Professor J Howells
Chair

PORTSMOUTH TECHNOPOLE LIMITED

Statement of changes in equity for the year ended 31 July 2023

	Called-up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 August 2021	1,915,850	251	227,342	412,742	2,556,185
Total Comprehensive Loss for the financial year	-	-	-	(99,050)	(99,050)
Total	1,915,850	251	227,342	313,692	2,457,135
Transfer from revaluation reserve	-	-	(7,767)	7,767	-
Gift aid paid	-	-	-	-	-
At 31 July 2022	1,915,850	251	219,575	321,459	2,457,135
At 1 August 2022	1,915,850	251	219,575	321,459	2,457,135
Total Comprehensive Loss for the financial year	-	-	-	(75,424)	(75,424)
Total	1,915,850	251	219,575	246,035	2,381,711
Transfer from revaluation reserve	-	-	(7,768)	7,768	-
Gift aid paid	-	-	-	-	-
At 31 July 2023	1,915,850	251	211,807	253,803	2,381,711

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

The share premium account 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 2023

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, Hampshire, PO1 2UP. The company is registered and incorporated in England and Wales.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The principle accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

As a subsidiary undertaking of the University of Portsmouth, Portsmouth Technopole Limited meets the criteria of being a member of a public benefit entity group.

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.

Portsmouth Technopole Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it. Portsmouth Technopole Limited is consolidated in the financial statements of its ultimate parent, the University of Portsmouth, which may be obtained at University House, Winston Churchill Avenue, Portsmouth, Hampshire, PO1 2UP. Exemptions have been taken in these separate company financial statements in relation to presentation of a cash flow statement. The equivalent disclosures are presented in the statements of the consolidated parent.

Going Concern

The company undergoes a full going concern review each year. Amongst other things, this includes consideration for a period of at least 12 months from the date of these financial statements, of budgets and management accounts, working capital requirements, outstanding legal issues and the stability of the cost base. The review was approved by the company's Board of Directors (27th November 2023). In their review the directors noted the loss made by the company. Further, University of Portsmouth has confirmed that it anticipates the entity continuing to operate, and will provide financial support if required for a period of no less than 12 months from the date of signing the accounts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements 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.

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.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

Interest receivable

Interest income is recognised as received.

Interest payable

Interest payable on the loan is accrued in line with the terms and conditions thereof.

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 comes under a lease with Portsmouth City Council running for 125 years from June 2002. Rent paid under the lease is contingent on revenue earned and is therefore put through the P&L as incurred.

Depreciation is provided on a straight line basis over the expected remaining useful lives of the individual components of the asset, as determined by a valuation exercise undertaken in July 2019:

Leasehold building – 44 years from 31/7/2019
Fixtures and fittings – 12 years from 31/7/2019
Plant and equipment – 10 years from 31/7/2019

Any additions to fixtures and fittings and plant and equipment will be depreciated dependent upon their expected life.

The revaluation reserve was created as result of historic valuations and is released over the life of the assets.

Gift aid

As a 100% subsidiary of the University of Portsmouth, Portsmouth Technopole Limited, at the discretion of the directors, remits gift aid to the University of Portsmouth annually. Gift Aid payment is reviewed against both cash and distributable reserves both at point of Board approval and prior to actual payment.

Tax

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. Tax 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.

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.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

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.

Pension costs

The employees of the company are eligible to join the National Employment Savings Trust (NEST). They will be automatically enrolled if they meet the criteria. Employees can opt out if they do not wish to join NEST. Contributions of £3,831 were made to the NEST pension scheme during the year (2022: ££4,664). There was no current liability outstanding at 31 July 2023 (2022: £353).

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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances.

i) Significant judgements in applying the Company's accounting policies

The directors do not consider there to be any critical judgements that have been made in the process of applying the company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

ii) Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors consider the following to be the estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year.

The property is held at cost less accumulated depreciation, with Net Book Value having been adjusted in the 2018/19 accounts to a value as identified by a valuation report undertaken in July 2019, with a consequent impairment and offsetting release from the revaluation reserve. Further information is available in Note 7.

An impairment review was undertaken at 31st July 2020, and no requirement for further impairment was identified.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

2. Operating loss

	2023	2022
	£	£
Operating loss is stated after charging:		
Management charge from University of Portsmouth	58,891	38,000
Fees payable to the company's auditor for the audit of the company's financial statements	7,000	6,500
Depreciation	91,030	90,263

Other services from the auditor:

Remuneration of the company's auditor for the provision of tax services for the company is £3,825 (2022: £2,650).

3. Directors' emoluments

In the current and prior year, no remuneration was paid to directors in respect of services to the company. The directors of the company 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 (2022: £nil).

4. Employee information

The company has one permanent and two fixed term employees at 31 July 2023 (2022: two permanent and two fixed term employees).

Monthly average number of persons employed	2023	2022
	No.	No.
Administrative & professional staff	3	4
	<u>3</u>	<u>4</u>

Staff costs during the year	2023	2022
	£	£
Wages and salaries	74,974	86,515
Social security costs	11,324	13,797
	<u>86,298</u>	<u>100,312</u>

5. Interest receivable and similar income

	2023	2022
	£	£
Bank interest receivable	3,153	-
	<u>3,153</u>	<u>-</u>

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

6. Interest payable and similar expenses

	2023	2022
	£	£
Loan interest payable	4,493	2,107
	<u>4,493</u>	<u>2,107</u>

Interest was payable of £4,493 (2022: £2,107) to the parent company in respect of a loan at the Bank of England base rate plus 1%.

7. Tax reconciliation

The tax charge comprises:

	2023	2022
	£	£
Current tax on profit	-	-
Deferred tax	-	-
Total tax on profit	<u>-</u>	<u>-</u>

The standard rate of tax applied to reported profit on ordinary activities is 21.01% (2022: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, and the UK deferred tax asset as at 31 July 2023 has been calculated based on this rate (2022: 25%).

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:

	2023	2022
Loss before tax	<u>(75,424)</u>	<u>(99,050)</u>
Tax on loss at standard UK corporation tax rate of 21.01% (2021: 19%)	(15,847)	(18,820)
Effects of:		
Movement in deferred tax not recognised	(2,145)	2,062
Fixed asset differences	<u>17,992</u>	<u>16,757</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

As at 31 July 2023 the company had unrecognised deferred tax assets at the closing rate of £33,126 (2022: £35,061) in relation to fixed asset timing differences and taxable losses carried forward.

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

8. Fixed assets

	Buildings	Fixtures & Fittings	Plant and Equipment	Total
	£	£	£	£
As at 1 August 2022	3,407,858	249,860	1,099,423	4,757,141
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 July 2023	3,407,858	249,860	1,099,423	4,757,141
As at 1 August 2022	(1,260,017)	(123,110)	(894,142)	(2,277,269)
Depreciation	(52,387)	(14,084)	(24,560)	(91,031)
Impairment	-	-	-	-
As at 31 July 2023	(1,312,404)	(137,194)	(918,702)	(2,368,300)
Net book value				
As at 31 July 2023	2,095,454	112,666	180,721	2,388,841
As at 1 August 2022	2,147,841	126,750	205,281	2,479,872

The property is held at cost less accumulated depreciation.

The building is under a lease with Portsmouth City Council running for 125 years from June 2002.

Depreciation is applied on a straight line basis to the individual asset components in accordance with the policy outlined under Fixed Assets in Note 1.

9. Debtors

	2023	2022
	£	£
Amounts falling due within one year		
Trade debtors	32,837	5,015
Provision for bad and doubtful debts	-	(3,511)
Prepayments and accrued income	4,450	12,012
	<u>37,287</u>	<u>13,516</u>

10. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to parent	2,119	3,850
Accruals and deferred income	84,965	101,425
Licensee deposits	61,959	60,337
Tax and social security creditors	4,197	7,340
	<u>153,240</u>	<u>172,952</u>

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

11. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Loan with parent:		
Due between one and two years	107,123	-
Due between two and five years	-	102,630
	<u>107,123</u>	<u>102,630</u>

Representing a variable rate secured loan facility of £250,000 at Bank of England base rate plus 1% repayable at the end of the loan term in July 2025. Security is by means of a floating debenture over the long lease of the land and buildings and other assets of Portsmouth Technopole Limited.

12. Rental income as lessor

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

	2023	2022
	£	£
- within one year	52,979	48,649

Licences to occupy are issued to tenants on a short-term rolling contract basis with one to six-month notice periods.

13. Called up share capital

	2023	2022
	£	£
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.

14. 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.

15. 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. Technology Enterprises Portsmouth Limited is the immediate parent and has a 100% interest in the issued equity capital of the company at 31 July 2023.

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

PORTSMOUTH TECHNOPOLE LIMITED

Notes to the financial statements for the year ended 31 July 2022 (continued)

These results are consolidated into the University of Portsmouth's (parent) financial statements, which is the smallest and largest group into which this company's results are consolidated.

16. 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.