

University of Warwick Science Park Limited

Annual report and financial
statements

Registered number 01659656
For the year ended 31 July 2018

SATURDAY



A7KE8XL7

A20

08/12/2018

#138

COMPANIES HOUSE

Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	4
Independent auditor's report to the members of University of Warwick Science Park Limited	5
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

Company information

Directors	R A Drinkwater J Greenway N C Maris S C R Swain
Secretary	J M A Langlands
Auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH
Bankers	Barclays Bank PO Box 2 25 High St. Coventry CV1 5QZ
Registered Office	University House The University of Warwick Coventry CV4 8UW
Registered Number	01659656

Directors' report

Business Strategy and Objectives

The Company is a wholly owned subsidiary of the University of Warwick. The Company has two associate companies which own Business Innovation Centres in Warwick and Coventry respectively. It also provides management services to an Innovation Centre in Solihull.

Our objectives are to support and enhance the growth of knowledge-based businesses through an environment which:

- Facilitates the transfer of University 'know-how' and research into industry;
- Offers exceptional accommodation designed for flexibility and the needs of growing knowledge-based companies; and
- Incorporates high calibre business advisory services for pre-start through early stage to established enterprises. We seek to increase the flow of high quality prospective tenants and to strengthen the growth prospects of existing occupiers through this provision and the allied incubation activity.

The business has a number of KPIs that it measures its performance against on a regular periodic basis.

The directors present their report and the financial statements for the year ended 31 July 2018.

Results and Dividend

The profit for the year before taxation amounted £1,540,034 (2017: £1,765,079) which after payment of Deed of Covenant, resulted in a total comprehensive loss for the year of £209,009 (2017: £11,678 profit). The directors do not recommend the payment of a dividend (2017: £nil).

By deed of covenant date 15 March 2012, the Company covenanted to pay the University of Warwick a sum equal to the taxable profit for corporation tax purposes, with effect from and including the year ended September 2011.

Principal activities and review of the business

The company's principal activity during the year continued to be that of provision of support to innovative small businesses by provision of accommodation, business advice and facilitation of the transfer of University 'know-how' into industry. The directors have reviewed the balance sheet at 31 July 2018 and events thereafter. They consider the results for the year ended and the position at 31 July 2018 to be positive.

Going concern

The activities of the Company, together with the factors likely to affect its future development and performance are set out in the Directors' report. The financial position of the Company and its liquidity are described in the financial statements and accompanying Notes.

The Company has sufficient financial resources and the directors believe that the Company is well placed to manage its business activities successfully.

Accordingly the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Directors' report *(continued)*

Directors

The directors of the Company during the year, and up to the date of signing of these financial statements, were as follows:

R A Drinkwater	
P J Glover	(appointed 1 August 2017, resigned 15 December 2017)
J Greenway	(appointed 1 August 2017)
C T Ennew	(resigned 1 August 2017)
N C Maris	(appointed 18 August 2017)
R M Sandby-Thomas	(resigned 1 August 2017))
S C R Swain	
P A Thomas	(resigned 1 August 2017)

None of the directors held any beneficial interest in the Company's share capital at 31 July 2018 or at any time during the year then ended.

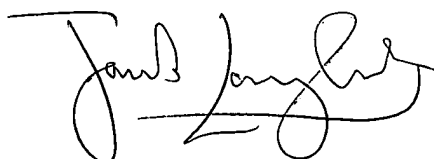
Disclosure of information to auditor

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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.

By order of the board



JMA Langlands
Company Secretary

University House
The University of Warwick
Coventry
CV4 8UW

19 October 2018

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 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 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
- 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.

KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

**Independent auditor's report to the members of University of Warwick
Science Park Limited**

Opinion

We have audited the financial statements of University of Warwick Science Park Limited ("the company") for the year ended 31 July 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the 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 2018 and of its profit 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Independent auditor's report to the members of University of Warwick Science Park Limited *(continued)*

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 Financial Reporting Council's website at 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.



Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

28 November 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 July 2018

	<i>Note</i>	2018 £	2017 £
Turnover	2	5,918,794	5,954,791
Cost of sales		(3,964,670)	(3,827,749)
Gross profit		1,954,124	2,127,042
Administrative expenses		(634,115)	(523,945)
Other operating income	3	217,046	142,387
Operating profit	4	1,537,055	1,745,484
Income from fixed asset investments	7	108,185	122,687
Other interest receivable and similar income	8	14,794	16,908
Interest payable and similar charges	9	(120,000)	(120,000)
Profit on ordinary activities before taxation		1,540,034	1,765,079
Taxation	10	-	-
Profit for the financial year		1,540,034	1,765,079

Other comprehensive income

There were no recognised gains or losses other than the profit of £1,540,034 in the year ended 31 July 2018 (2017: £1,765,079).

All amounts relate to continuing activities.

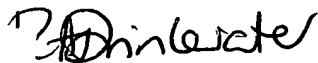
The notes on pages 10 to 21 form part of the financial statements.

Balance Sheet
at 31 July 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	11		10,050,333		10,401,692
Investments	12		350,001		350,001
			<u>10,400,334</u>		<u>10,751,693</u>
Current assets					
Debtors	13	2,822,481		2,548,598	
Cash at bank and in hand		837,274		1,134,498	
		<u>3,659,755</u>		<u>3,683,096</u>	
Creditors: amounts falling due within one year	14	<u>(3,217,874)</u>		<u>(3,166,518)</u>	
Net current assets			<u>441,881</u>		<u>516,578</u>
Total assets less current liabilities			<u>10,842,215</u>		<u>11,268,271</u>
Creditors: amounts falling due after more than one year	15		<u>(2,061,334)</u>		<u>(2,278,381)</u>
Net assets			<u>8,780,881</u>		<u>8,989,890</u>
Capital and reserves					
Called up share capital	16		27,997		27,997
Share premium account			449,064		449,064
Profit and loss account			8,303,820		8,512,829
Shareholders' funds			<u>8,780,881</u>		<u>8,989,890</u>

The notes on pages 10 to 21 form part of the financial statements.

These financial statements were approved by the board of directors on 19 October 2018 and were signed on its behalf by:



R A Drinkwater
Director

Company registered number: 01659656

Statement of Changes in Equity

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 August 2016	27,997	449,064	8,501,150	8,978,211
Total comprehensive income for the year				
Profit for the year	-	-	1,765,079	1,765,079
Deed of Covenant	-	-	(1,753,400)	(1,753,400)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	11,679	11,679
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2017	27,997	449,064	8,512,829	8,989,890
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 August 2017	27,997	449,064	8,512,829	8,989,890
Total comprehensive income for the year				
Profit for the year	-	-	1,540,034	1,540,034
Deed of Covenant	-	-	(1,749,043)	(1,749,043)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(209,009)	(209,009)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2018	27,997	449,064	8,303,820	8,780,881
	<hr/>	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting Policies

University of Warwick Science Park Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 01659656 and the registered address is University House, the University of Warwick, Coventry, CV4 8UW.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in September 2015 have been applied, together with those relating to gift aid included in the Triennial Review of FRS 102, issued in December 2017. The effect of the adoption of the gift aid amendments was to change its tax treatment such that a corporation tax charge in the Profit and Loss Account and an associated tax credit in the Statement of Changes in Equity are no longer required. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, The University of Warwick, includes the Company in its consolidated financial statements. The consolidated financial statements of the University of Warwick are prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from the University of Warwick, Coventry, CV4 8UW. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of the University of Warwick include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company is exempt from the obligation to prepare consolidated financial statements on the grounds that it is a wholly-owned subsidiary undertaking of the University of Warwick within whose consolidated financial statements the Company's activities are included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that financial instruments classified at fair value through the profit or loss are stated at their fair value.

1.2 Going concern

In preparing these accounts the directors believe it is appropriate to adopt the going concern assumption based on the continued profitability of the Company and their forecasts that the Company will continue to have sufficient resources for its ongoing operations.

1.3 Foreign currency

The presentation currency of these financial statements is sterling.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Notes (continued)

1 Accounting Policies (continued)

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Investments in equity instruments

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows

Leasehold land and buildings	50 years
Refurbishments	10 to 20 years
Fixtures, fittings and equipment	Between 5 and 10 years
Computer equipment	3 years

Where buildings are acquired with the aid of government and other specific grants, they are capitalised and depreciated as above. The related grants are treated as deferred income and released to income over the shorter of the grant term and the expected useful life of the buildings.

The carrying values of tangible fixed assets are reviewed for impairment when events of changes in circumstances indicate the carrying value may not be recoverable.

1.6 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Notes (continued)

1 Accounting Policies (continued)

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.8 Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue represents amounts receivable for rents, management charges and service charges receivable net of trade discounts, VAT and other sales-related taxes. Revenue is recognised in line with the terms of lease agreement for rent, management charges and service charges. Any lease incentives are spread over the term of the lease. All other income is recognised as and when the service is performed irrespective of the date of receipt or payment.

1.9 Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.11 Pensions

Pensions are recognised in the financial statements as recharged by the University of Warwick.

Notes (continued)

2 Turnover

Turnover, which is stated net of value added tax, represents the provision of goods and services which fall within the company's ordinary activities.

3 Other operating income

	2018 £	2017 £
Government grants	217,046	142,387

4 Expenses and auditor's remuneration

Included in the profit and loss account are the following:

	2018 £	2017 £
Depreciation (note 11)	527,534	361,522
Operating lease rentals:		
Land and buildings	1,122,924	1,130,694
Other assets	3,693	4,202

Auditor's remuneration:

	2018 £	2017 £
Audit of these financial statements	9,879	9,638
Other services	1,391	2,212
	11,270	11,850

5 Directors' remuneration

No directors have received any fee or remuneration for their services during the year (2017: £nil)

Directors and officers liability insurance amounting to £1,073 (2017: £899) has been paid on behalf of the directors. Under company law the remuneration of all of the directors falls to be disclosed within the band £nil - £5,000.

The Company has applied the exemptions available in respect of the disclosure of Key Management Personnel compensation.

Notes *(continued)*

6 Staff numbers and costs

The average monthly number of employees during the year was made up as follows:

	Number of employees	
	2018	2017
Operations	18	15
Finance and administration	7	7
	<u>25</u>	<u>22</u>

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£	£
Wages and salaries	828,988	724,942
Social security costs	71,621	64,010
Other pension costs	119,063	114,867
	<u>1,019,672</u>	<u>903,819</u>

7 Income from fixed assets investments

	2018	2017
	£	£
Dividend income receivable	57,494	71,854
Debenture interest receivable	50,691	50,833
	<u>108,185</u>	<u>122,687</u>

8 Other interest receivable and similar income

	2018	2017
	£	£
Bank interest	711	1,172
Refund of bank interest	-	67
Interest on funds invested by the University of Warwick	14,083	15,669
	<u>14,794</u>	<u>16,908</u>

9 Interest payable and similar charges

	2018	2017
	£	£
Debenture loan interest	<u>120,000</u>	<u>120,000</u>

Notes (continued)

10 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018 £	2017 £
Current tax		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/> <hr/>	<hr/> <hr/>
Deferred Tax	-	-
	<hr/>	<hr/>
Total tax	-	-
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of effective tax rate

	2018 £	2017 £
Profit for the year before tax	1,540,034	1,765,079
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19 % (2017: 19.67%)	292,606	347,191
Expenses not deductible for tax purposes	2,970	2,849
Income not subject to tax	(41,239)	(28,007)
Depreciation greater than capital allowances	83,673	46,779
Dividend income and debt interest	(10,924)	(14,133)
Other timing differences	5,231	(9,785)
Effect of Deed of Covenant	(332,317)	(344,894)
	<hr/>	<hr/>
Total tax expense included in the profit and loss account	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

11 Tangible fixed assets

	Long leasehold		Fixtures, fittings and equipment £	Total £
	Land and infrastructure £	Buildings £		
Cost				
At beginning of year	3,266,520	12,337,338	184,622	15,788,480
Additions	139,086	26,559	10,530	176,175
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	3,405,606	12,363,897	195,152	15,964,655
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
At beginning of year	1,031,703	4,224,699	130,386	5,386,788
Charge for the year	51,303	459,571	16,660	527,534
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,083,006	4,684,270	147,046	5,914,322
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 July 2018	2,322,600	7,679,627	48,106	10,050,333
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2017	2,234,817	8,112,639	54,236	10,401,692
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12 Fixed asset investments

	Participating interests £	Loans to undertakings in which the Company has a participating interest £	Total £
Cost			
At beginning and end of year	354,501	725,122	1,079,623
	<hr/>	<hr/>	<hr/>
Provisions			
At beginning and end of year	4,500	725,122	729,622
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2018 and 31 July 2017	350,001	-	350,001
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

12 Fixed asset investments (continued)

The Company has the following investments in subsidiaries and associates:

UWSP Concepts Limited

The Company has a subsidiary undertaking, UWSP Concepts Limited. Due to the subsidiary being limited by guarantee, the cost and hence the net book value of this investment is £nil (2017: £nil).

University of Warwick Science Park Business Innovation Centre Limited

The Company holds 4,501 'B' ordinary shares being 45% of the ordinary issued share capital and debentures amounting to £725,122.

The Company's share of the associated interest is as follows:

	2018 £	2017 £
Turnover	277,729	276,614
Profit before taxation	103,093	135,755
Taxation	-	-
Profit after taxation	103,093	135,755
Fixed assets	1,345,500	1,305,000
Current assets	104,294	105,063
Liabilities due within one year	(85,424)	(77,534)
Liabilities due in more than one year	(1,595,601)	(1,666,854)
Shareholders' funds	(231,231)	(334,325)

University of Warwick Science Park Innovation Centre Limited

The Company holds 350,001 'B' ordinary shares of £1 each being 80% of the ordinary issued share capital. However, a shareholders' agreement limits the voting rights of members and directors and the economic benefits. Accordingly the investment is treated as an associated undertaking.

The company's share of the associated interest is as follows:

	2018 £	2017 £
Turnover	171,828	177,363
Profit before taxation	105,480	37,584
Taxation	(10,907)	(13,584)
Profit after taxation	94,573	24,000
Fixed assets	906,000	819,000
Current assets	69,462	87,337
Liabilities due within one year	(90,437)	(113,996)
Liabilities due in more than one year	(584,205)	(586,095)
Shareholders' funds	300,820	206,246

Notes (continued)

13 Debtors

	2018 £	2017 £
Trade debtors	457,316	217,399
Other debtors and prepayments	182,677	288,665
Amount due from the University of Warwick	2,124,994	1,970,680
Dividend receivable	57,494	71,854
	<u>2,822,481</u>	<u>2,548,598</u>

Trade debtors are stated after provisions for impairment of nil (2017: £457). Other debtors and prepayments are stated after provision for impairment of £121,524 (2017: £183,033).

Amounts owed by group undertakings include money invested by the University of Warwick on behalf of the University of Warwick Science Park Limited. Interest earned is credited to the Company. The amount due from the University of Warwick is repayable on demand and interest is chargeable.

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	128,461	156,454
Social security and other taxes	132,409	118,104
Amounts owed to the University of Warwick	1,631,966	1,571,882
Government grants	142,387	142,387
Receipts in advance	238,722	257,669
Sinking Fund	814,261	786,730
Accruals	129,668	133,292
	<u>3,217,874</u>	<u>3,166,518</u>

Included within amounts due to the University of Warwick are amounts relating to the Deed of Covenant. This is payable no later than 9 months after the close of the financial year and is non-interest bearing. Trading balances owed to the University of Warwick are non-interest bearing. All other amounts due to the University of Warwick are interest bearing. Amounts due to fellow subsidiaries are trading balances, repayable on demand and are non-interest bearing.

15 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Debenture loan due to the University of Warwick	2,000,000	2,000,000
Government grants	61,334	278,381
	<u>2,061,334</u>	<u>2,278,381</u>

The debenture loan due to the University of Warwick incurs an interest rate of 6% per annum and is secured on the assets and undertaking of the Company. It is repayable on 31 March 2022.

Notes (continued)

16 Capital and reserves

Share capital

	2018 £	2017 £
Authorised:		
Voting share capital: 27,092 ordinary shares of £1 each	27,092	27,092
Non-voting share capital: 10,000 ordinary shares of £1 each	10,000	10,000
	<u>37,092</u>	<u>37,092</u>
Issued and fully paid		
Voting share capital: 27,092 ordinary shares of £1 each	27,092	27,092
Non-voting share capital: 905 ordinary shares of £1 each	905	905
	<u>27,997</u>	<u>27,997</u>

17 Pensions

The pension costs charged to the profit and loss account during the year under review were £119,063 (2017: £114,867), and represent amounts recharged by the University of Warwick, as well as defined contributions into a group personal pension scheme operated by Royal London for a small number of staff.

Details of the latest actuarial valuations and disclosures required by FRS 102 are included in the report and accounts of the University of Warwick.

18 Financial commitments

At 31 July, the Company had commitments to future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2018 £	2017 £	2018 £	2017 £
Receivable within one year	3,446,312	3,535,525	-	-
	1,409,514	1,751,611	-	-
	<u>4,855,826</u>	<u>5,287,136</u>	-	-
Payable within one year	844,261	681,552	3,634	3,634
Payable between one and five years inclusive	447,951	466,462	4,248	4,248
	<u>1,292,212</u>	<u>1,148,014</u>	<u>7,882</u>	<u>7,882</u>

Notes (continued)

19 Related party disclosures

The Company has taken advantage of the exemption available under paragraph 33.1a (Related Party Disclosures) of FRS102, on the grounds that it is a wholly owned subsidiary of a group headed by The University of Warwick, whose financial statements are publicly available.

University of Warwick Science Park Limited has a management agreement with University of Warwick Science Park Innovation Centre Limited and University of Warwick Science Park Business Innovation Centre Limited to manage the properties.

	Purchases		Sales	
	2018 £	2017 £	2018 £	2017 £
University of Warwick Science Park Business Innovation Centre Limited				
Management fees	-	-	66,052	64,933
Goods and services	45,431	41,757	48,810	59,543
University of Warwick Science Park Innovation Centre Limited				
Management fees	-	-	63,217	64,490
Goods and services	-	-	180,563	169,385
	<u>45,431</u>	<u>41,757</u>	<u>358,642</u>	<u>358,351</u>
	<u><u>45,431</u></u>	<u><u>41,757</u></u>	<u><u>358,642</u></u>	<u><u>358,351</u></u>
	Creditors outstanding		Receivables outstanding	
	2018 £	2017 £	2018 £	2017 £
University of Warwick Science Park Business Innovation Centre Limited	6,899	5,871	11,680	12,065
University of Warwick Science Park Innovation Centre Limited	-	-	33,016	31,843
	<u>6,899</u>	<u>5,871</u>	<u>44,696</u>	<u>43,908</u>
	<u><u>6,899</u></u>	<u><u>5,871</u></u>	<u><u>44,696</u></u>	<u><u>43,908</u></u>

20 Ultimate parent company and parent company of larger group

The ultimate parent entity and controlling party is the University of Warwick, which is the parent undertaking which consolidates the group accounts. The consolidated parent accounts can be obtained from the principal place of business at the University of Warwick, Coventry, CV4 8UW.

21 Accounting estimates and judgements

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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes *(continued)*

Impairment of debtors

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors.

Impairment of investments

The Company makes an estimate for the impairment of investments in participating interests. When assessing impairment of investment in participating interests, management considers factors including the net asset value of the participating interests and the current performance. See note 12 for the net carrying amount of the investments in participating interests.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.