

**University of Warwick Science Park
Limited**

Annual report and financial statements

Registered number 1659656

31 July 2016

WEDNESDAY



A629N3NC

A21

15/03/2017

#464

COMPANIES HOUSE

Contents

Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the Strategic report, 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	7
Other Comprehensive Income	7
Balance sheet	8
Statement of Changes in Equity	9
Notes	10

Company information

Directors	Prof S Croft Ms R A Drinkwater Prof C Ennew (appointed 1 August 2016) Prof T Jones (resigned 31 July 2016) Ms R M Sandby-Thomas (appointed 7 September 2016) Mr K M Sloan (resigned 6 September 2016) Prof S Swain (appointed 1 August 2016) Prof N Thrift (resigned 31 January 2016)
Secretary	Mr K M Sloan (resigned 26 July 2016) Mrs P Glover (appointed 26 July 2016)
Auditor	KPMG LLP One Snowhill Snowhill Queensway Birmingham B4 6GH
Bankers	Barclays plc
Solicitor	Wright Hassall LLP
Registered office	University House University of Warwick Coventry CV4 8UW
Registered number	1659656

Strategic report

The directors present their report and the audited financial statements for the year ended 31 July 2016. Comparative figures are for the year ending 31 July 2015.

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.

Principal Risks & Uncertainties

The Company operates in a highly competitive market place where continuing growth is dependent on maintaining existing customer relationships and by winning new clients. The directors are confident that the Company can achieve these objectives and minimise the risk of falling short of its targets by providing sector leading service quality to its customers at competitive prices.

Performance

In the year ending 31 July 2016 all key performance measures have exceeded the prior year. Of specific note is the increased occupancy to an annual average for 98% for the grow-on space. There have been over 320 business enquiries of which more than two thirds were new to the Science Park. Links to the University have been exploited by tenant businesses and the Company has been successful in providing the support structures for young companies to grow. Accordingly, the directors believe that the company is well placed to continue to meet its objectives in the forthcoming year.

Directors' report

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

Results and dividends

The profit for the year before taxation amounted to £ 2,881,647 (2015: £1,768,943) which after taxation, resulted in a profit for the year of £2,493,995 (2015 £1,403,688). The directors declared a dividend in respect of the year ended 31 July 2016 of £ nil (2015: £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 2016 and events thereafter. They consider the results for the year ended and the position at 31 July 2016 to be positive.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and the principal risks and uncertainties are described above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who held office during the year and to the date of signing of these accounts were as follows:

Prof S Croft
Ms R A Drinkwater
Prof C Ennew (appointed 1 August 2016)
Prof T Jones (resigned 31 July 2016)
Ms R M Sandby-Thomas (appointed 7 September 2016)
Mr K M Sloan (resigned 6 September 2016)
Prof S Swain (appointed 1 August 2016)
Prof N Thrift (resigned 31 January 2016)

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.

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report, and the financial statements

The directors are responsible for preparing the Strategic Report, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

The Directors' report, which incorporates the Strategic Report and the Statement of Directors' Responsibilities was approved by the Board of Directors on 18 October 2016.



P Glover
Secretary

University House
University of Warwick
Coventry
CV4 8UW

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

We have audited the financial statements of University of Warwick Science Park Limited for the year ended 31 July 2016 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

17 November

Profit and loss account
for the year ended 31 July 2016

	<i>Note</i>	2016 £	2015 £
Turnover	2	5,591,526	5,352,410
Cost of sales		(3,498,688)	(3,319,049)
		-----	-----
Gross profit		2,092,838	2,033,361
Administrative expenses		(490,112)	(626,754)
Other operating income	3	142,387	142,591
		-----	-----
Operating profit	4	1,745,113	1,549,198
Disposal of fixed assets	7	1,106,816	-
Income from fixed asset investments	8	97,627	338,577
Other interest receivable and similar income	9	52,091	1,168
Interest payable and similar charges		(120,000)	(120,000)
		-----	-----
Profit on ordinary activities before taxation		2,881,647	1,768,943
Taxation on profit on ordinary activities	10	(387,652)	(365,255)
		-----	-----
Profit for the financial year	18	2,493,995	1,403,688
		=====	=====

Other Comprehensive Income
for the year ended 31 July 2016

There were no recognised gains or losses other than the profit attributable to the shareholder of the company of £2,493,995 in the year ended 31 July 2016 (2015: £1,403,688).

All amounts relating to continuing activities.

The notes on pages 10 to 24 form part of the financial statements.

Balance sheet
at 31 July 2016

	<i>Note</i>	2016 £	2015 £
Fixed assets			
Tangible assets	<i>11</i>	10,186,698	10,313,480
Investments	<i>12</i>	350,001	350,001
		<hr/>	<hr/>
		10,536,699	10,663,481
Current assets			
Debtors	<i>13</i>	3,584,528	2,266,322
Cash at bank and in hand		725,276	823,179
		<hr/>	<hr/>
		4,309,804	3,089,501
Creditors: amounts falling due within one year	<i>14</i>	(3,447,525)	(3,155,006)
		<hr/>	<hr/>
Net current assets/ (liabilities)		862,279	(65,505)
		<hr/>	<hr/>
Total assets less current liabilities		11,398,978	10,597,976
Creditors: amounts falling due after more than one year	<i>15</i>	(2,420,767)	(2,563,154)
		<hr/>	<hr/>
Net Assets		8,978,211	8,034,822
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	<i>16</i>	27,997	27,997
Share premium account		449,064	449,064
Profit and loss account	<i>18</i>	8,501,150	7,557,761
		<hr/>	<hr/>
Shareholder's funds	<i>19</i>	8,978,211	8,034,822
		<hr/>	<hr/>

The notes on pages 10 to 24 form part of the financial statements.

These financial statements were approved by the board of directors on 18 October 2016 and were signed on its behalf by:



R Drinkwater
 Director

Company registered number: 1659656

Statement of Changes in Equity
at 31 July 2016

	Called up Share capital £	Share Premium Account £	Profit and loss account £	Total equity £
Balance at 1 August 2014	27,997	449,064	7,568,331	8,045,392
Effect of change in accounting policy	-	-	(12,435)	(12,435)
Balance at 1 August 2014 (restated)	<u>27,997</u>	<u>449,064</u>	<u>7,555,896</u>	<u>8,032,957</u>
Total comprehensive income for the period				
Profit for the financial year	-	-	1,403,688	1,403,688
Gift Aid payment			(1,767,078)	(1,767,078)
Current tax credit			365,255	365,255
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>1,865</u>	<u>1,865</u>
Dividends	-	-	-	-
Balance at 31 July 2015	<u>27,997</u>	<u>449,064</u>	<u>7,557,761</u>	<u>8,034,822</u>
Balance at 1 August 2015	27,997	449,064	7,557,761	8,034,822
Total comprehensive income for the period				
Profit for the financial year	-	-	2,493,995	2,493,184
Gift aid payment			(1,938,258)	(1,938,258)
Current tax credit			387,652	387,652
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>943,389</u>	<u>943,389</u>
Dividends	-	-	-	-
Balance at 31 July 2016	<u>27,997</u>	<u>449,064</u>	<u>8,501,150</u>	<u>8,978,211</u>

The notes on pages 10 to 24 form part of the financial statements

Notes

(forming part of the financial statements)

12. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

University of Warwick Science Park Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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 September 2015. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 22.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. No exemptions have been taken in these financial statements:

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 the 2015 Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and in accordance with applicable accounting standards. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards. They are available to the public and may be obtained from the University of Warwick. 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

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

- The 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 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.

Measurement convention

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

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.

Notes (continued)

1 Accounting policies (continued)

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 agreements for rent, management charges and services charges. Any lease incentives are spread over the term of the lease. All other income is recognised as and when the services is performed irrespective of the date of receipt or payment

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 capital grants 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.

Basic financial instruments

Financial Assets- Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. The assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period the financial assets are assessed for evidence of impairment. If an asset is impaired, the impairment loss is recognised in the profit and loss. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities- Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial Liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Notes (continued)

1 Accounting policies (continued)

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 unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

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 taxation

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 taxation

No provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University of Warwick and therefore no deferred tax asset or liability will be realised in the Company

Pensions

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

Interest receivable and interest payable

Interest income and interest payable are recognised in the profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

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

	2016	2015
Government Grants	142,387	142,591

Notes (continued)

4. Operating profit

	2016	2015
	£	£
Operating profit is stated after charging:		
Auditor's remuneration:		
Audit of the company's financial statements	9,403	9,174
Other fees - taxation services		
Depreciation	300,123	282,410
Operating lease rentals		
Land and buildings	1,112,587	1,222,395
Other assets	3,964	4,357
	<u>1,112,587</u>	<u>1,222,395</u>

5. Director's remuneration

No directors have received any fee or remuneration for their services during the year (2015 -£nil)

Directors and officers liability insurance amounting to £813 (2015 - £871) 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 - £5000.

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

6. Staff costs

	2016	2015
	£	£
Wages and salaries	644,625	701,943
Social security costs	52,225	54,810
Other pension costs	103,094	107,362
	<u>799,944</u>	<u>864,115</u>

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

	No.	No.
Operations	13	14
Finance and administration	7	7
	<u>20</u>	<u>21</u>

Notes (continued)

7. Disposal of fixed assets

	2016 £	2015 £
Disposal of land at open market valuation	1,240,000	-
Value at cost	(133,184)	-
Surplus on disposal	<u>1,106,816</u>	<u>-</u>

8. Income from fixed asset investments

	2016 £	2015 £
Dividend income receivable	46,850	35,162
Debenture interest receivable	50,777	101,535
Net gain on disposal of fixed asset investment	-	201,880
	<u>97,627</u>	<u>338,577</u>

9. Other interest receivable and similar income

	2016 £	2015 £
Bank interest	1,327	1,168
Refund of bank interest	29,227	-
Interest on funds invested by University of Warwick	21,537	-
	<u>52,091</u>	<u>1,168</u>

10. Taxation

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

The tax charge is made up as follows:	2016 £	2015 £
Current tax		
UK corporation tax on the profit for the year	401,333	365,255
(Over)/under provision in prior years	(13,681)	-
Total current tax	<u>387,652</u>	<u>365,255</u>

Notes (continued)

As stated in the accounting policies, no provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University of Warwick and therefore no deferred tax asset or liability will be realised in the Company.

Factors affecting the tax charge for the current year. The effective rate per 2015 is a weighted average of the applicable corporation tax rates during the year. The 21% rate was reduced to 20% from 1 April 2015. The current tax charge for the year is 20%.

	2016	2015
	£	£
Profit on ordinary activities before tax	2,881,647	1,768,943
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.67%)	576,329	365,641
<i>Effects of</i>		
Expenses not deductible for tax purposes	(17,755)	(16,940)
Capital allowances in excess of depreciation	45,141	46,263
Dividend income and debt interest	(9,370)	(7,268)
Disposal of fixed asset investment	-	(41,728)
Disposal of fixed asset	(221,363)	-
Other timing differences	28,350	18,449
Adjustments in respect of previous years	(13,680)	838
Total tax expense included in profit or loss	387,652	365,255

Notes (continued)

11. Tangible fixed assets

	Long Leasehold land and infrastructure £	Long leasehold buildings £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 August 2015	3,379,587	11,547,183	117,182	15,043,952
Additions	-	286,631	19,894	306,525
Disposals	(133,184)	-	(5,329)	(138,513)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2016	3,246,403	11,833,814	131,747	15,211,964
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 August 2015	950,623	3,662,667	117,182	4,730,472
Charge for year	40,540	255,604	3,979	300,123
On disposals	-	-	(5,329)	(5,329)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2016	991,163	3,918,271	115,832	5,025,266
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 July 2016	2,255,240	7,915,543	15,915	10,186,698
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 August 2015	2,428,964	7,844,516	-	10,313,480
	<hr/>	<hr/>	<hr/>	<hr/>

12. Fixed asset investments

	Participating interests	Loans to undertakings in which the Company has a participating interest	Total
	£	£	£
<i>Cost</i>			
At 1 August 2015	354,501	725,122	1,079,623
Disposals			
At 31 July 2016	354,501	725,122	1,079,623
<i>Provisions</i>			
At 1 August 2015	(4,500)	(725,122)	(729,622)
Disposals			
At 31 July 2016	(4,500)	(725,122)	(729,622)
<i>Net book value</i>			
At 31 July 2016	350,001	-	350,001
At 31 July 2015	350,001	-	350,001

The provision of £4,500 against Investment in Participating Interests represents full provision for the investment in ordinary shares in the University of Warwick Science Park Business Innovation Centre Limited.

Notes (continued)

12. Fixed asset investments (continued)

The Company has the following investments in associates

Associated undertakings:

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:

	Year to 31 July 2016	Year to 31 July 2015
	£	£
Turnover	256,062	226,822
Profit before taxation	105,254	181,624
Taxation	-	-
Profit after taxation	105,254	181,624
Fixed assets	1,237,616	1,166,310
Current assets	71,658	79,234
Liabilities due within one year	(53,848)	(61,279)
Liabilities due in more than one year	(1,725,505)	(1,759,599)
Shareholders' funds	(470,079)	(575,334)

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:

	2016	2015
	£	£
Turnover	171,012	149,003
Profit before taxation	58,475	(16,315)
Taxation	(11,604)	(8,922)
Profit/(loss)after taxation	46,871	(25,237)
Fixed assets	795,000	771,000
Current assets	70,825	66,604
Liabilities due within one year	(85,220)	(76,234)
Liabilities due in more than one year	(598,358)	(625,995)
Shareholders' funds	182,247	135,376

Notes (continued)

13. Debtors

	2016	2015
	£	£
Trade debtors	196,679	192,743
Other debtors and Prepayments	190,315	271,437
Amounts due from the University of Warwick	3,150,683	1,766,980
Dividend receivable	46,851	35,162
	<u>3,584,528</u>	<u>2,266,322</u>

Trade debtors are stated after provisions for impairment of £33 2014: £12,256). Other debtors and prepayments are stated after provision for impairment of £215,500 (2015: £239,522)

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.

14. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	198,708	130,188
Social security and other taxes	122,225	106,955
Amounts owed to the University of Warwick	1,812,645	1,598,077
Accruals	96,763	97,364
Government grants	142,387	142,386
Receipts in advance	238,324	385,314
Sinking Fund	836,473	694,722
	<u>3,447,525</u>	<u>3,155,006</u>

Amounts owed to group undertakings are payments due under deed of Covenant and trading balances repayable on demand and are non-interest bearing.

15. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Debenture loan due to the University of Warwick	2,000,000	2,000,000
Government grants	420,767	563,154
	<u>2,420,767</u>	<u>2,563,154</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. Issued share capital

	2016 £	2015 £
Authorised:		
Voting share capital: 27,092 ordinary shares of £1	27,092	27,092
Non-voting share capital: 10,000 ordinary shares of £1	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	27,092	27,092
Non-voting share capital: 905 ordinary shares of £1	905	905
	<u>27,997</u>	<u>27,997</u>

17. Pensions

The company participates in the University of Warwick Pension Scheme. In addition, defined contributions are paid into a group personal pension scheme. The pension costs charged to the profit and loss account during the year were £103,094 (2015 £107,362), which includes amounts paid to the University of Warwick for pension costs attributable to seconded staff, and accrued holiday pay. Disclosures required by FRS102 are included in the consolidated accounts of the University of Warwick.

18. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Share premium account	Profit and loss account £	Total shareholders' funds £
At 1 August 2015	27,997	449,064	7,557,761	8,034,822
Profit for the year	-	-	943,389	943,389
At 31 July 2016	<u>27,997</u>	<u>449,064</u>	<u>8,501,150</u>	<u>8,978,211</u>

Notes (continued)

19. Other financial commitments

At 31 July 2016 non-cancellable operating lease rentals are as follows:

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
Receipts				
Within one year	3,537,480	-	3,491,608	-
In one to five years	2,708,154	-	3,175,383	-
	<u>6,245,634</u>	<u>-</u>	<u>6,666,991</u>	<u>-</u>
	<u><u>6,245,634</u></u>	<u><u>-</u></u>	<u><u>6,666,991</u></u>	<u><u>-</u></u>
Payments				
Within one year	901,999	3,717	951,373	3,435
In one to five years	573,520	2,850	730,877	5,393
	<u>1,475,519</u>	<u>6,567</u>	<u>1,682,250</u>	<u>8,828</u>
	<u><u>1,475,519</u></u>	<u><u>6,567</u></u>	<u><u>1,682,250</u></u>	<u><u>8,828</u></u>

Notes (continued)

20. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS102 Related Party Disclosures, 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.

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

	Purchases		Sales	
	2016	2015	2016	2015
	£	£	£	£
University of Warwick Science Park Business Innovation Centre Limited	33,822	36,799	-	-
Management fees			76,921	73,855
Goods and services			58,078	78,588
University of Warwick Science Park Innovation Centre Limited				
Management Fees			59,175	66,622
Goods and Services			181,069	202,895
	<u>33,822</u>	<u>36,799</u>	<u>375,243</u>	<u>421,960</u>
	Creditors outstanding		Receivables outstanding	
	2016	2015	2016	2015
	£	£	£	£
University of Warwick Science Park Business Innovation Centre Limited	1,027	227	13,294	12,656
University of Warwick Science Park Innovation Centre Limited	-	-	22,170	28,451
	<u>1,027</u>	<u>227</u>	<u>35,464</u>	<u>41,107</u>

21. Ultimate parent undertaking and controlling party

The ultimate parent entity and controlling party is the University of Warwick, which is the parent undertaking which consolidates the group accounts. Copies of the ultimate parent undertaking's financial statements may be obtained from the principal place of business at the University of Warwick, Coventry, CV4 8UW.

Notes (continued)

22. 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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 9 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

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 current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

Critical accounting judgements in applying the Company's accounting policies

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

23. Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 July 2016 and the comparative information presented in these financial statements for the year ended 31 July 2015.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables.

Reconciliations provided shall, to the extent practicable, distinguish the correction of errors from changes in accounting policies.

Notes (continued)

Reconciliation of equity

	Adopted GAAP	Effect of transition to FRS 102	Under FRS 102
	£	£	£
Total equity at 1 August 2014	8,045,392		8,045,392
Effect of inclusion of accrued holiday pay			
Creditors due in less than 1 year		(12,435)	(12,435)
	<hr/>	<hr/>	<hr/>
Adjusted total Equity at 1 August 2014	8,045,392	(12,435)	8,032,957
Total equity at 31 July 2015	8,051,314		8,051,314
Increase in accrued holiday pay			
Creditors due in less than 1 year		(16,492)	(16,492)
	<hr/>	<hr/>	<hr/>
Adjusted total Equity at 31 July 2015	8,051,314	(16,492)	8,034,822

Reconciliation of profit for year ending 31 July 2015

	Adopted GAAP	Effect of transition to FRS 102	Under FRS 102
	£	£	£
Profit on Ordinary Activities before Taxation for the year ending 31 July 2014	1,171,877		1,171,877
Effect of inclusion of accrued holiday pay (Increase) in Administrative costs		(12,435)	(12,435)
	<hr/>	<hr/>	<hr/>
Adjusted Profit on Ordinary Activities before Taxation for the year ending July 2014	1,171,877	(12,435)	1,159,442
Profit on Ordinary Activities before Taxation for the year ending 31 July 2015	1,773,000		1,773,000
Effect of inclusion of accrued holiday pay (Increase) in Administrative costs		(4,057)	(4,057)
	<hr/>	<hr/>	<hr/>
Adjusted Profit on Ordinary Activities before Taxation for the year ending July 2015	1,773,000	(4,057)	1,768,943