

University of Warwick Science Park Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2015

Registered number 1659656

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University of Warwick Science Park Limited

(Registered Number 1659656)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2015

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University of Warwick Science Park Limited

STRATEGIC REPORT

The directors present their report and the audited financial statements for the year ended 31 July 2015. 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 2015 all key performance measures have exceed the prior year. Of specific note is the increased occupancy to an annual average for 96% for the grow-on space. There have been over 300 business enquiries of which 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.

University of Warwick Science Park Limited

DIRECTORS' REPORT

Financial Performance

Overall for the year ended 31 July 2015, the Company has generated a profit on ordinary activities before taxation of £1,773,000 (2014 - £1,171,877) which, after Deed of Covenant payments, resulted in a profit for the year of £5,922 (2014 – loss £173,511).

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.

Post Balance Sheet Date Events

There have been no significant events since the balance sheet date.

Directors and their interests

The directors of the Company during the period and up to the date of signing these accounts were as follows:

N Thrift
N J Sanders (resigned October 2014)
R A Drinkwater
T Jones
K M Sloan
S Croft

None of the directors held any beneficial interest in the Company's share capital at 31 July 2015 or at any time during the year then ended.

Deed of covenant

By deed of covenant dated 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 30 September 2011.

Dividend

The directors do not recommend the payment of a dividend (prior year: £nil).

Fixed assets

The movements in fixed assets are shown in note 7 to the financial statements.

Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements.

University of Warwick Science Park Limited

DIRECTORS' REPORT (continued)

Disclosure of information to the auditor

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

Auditor's reappointment paragraph

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.

University of Warwick Science Park Limited

DIRECTORS' REPORT (continued)

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



K M SLOAN
Secretary

University House
University of Warwick
Coventry
CV4 8UW

22 October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

We have audited the financial statements of University of Warwick Science Park Limited for the period ended 31 July 2015 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and the 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 (APB'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 2015 and of its profit for the period 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 matter prescribed by the Companies Act 2006

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

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

23 November 2015

University of Warwick Science Park Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2015

| | Notes | Year to 31 July 2015 £ | Year to 31 July 2014 £ |
|--|-------|---------------------------------|------------------------------|
| Turnover | 2 | 5,495,001 | 5,427,409 |
| Cost of sales | | (3,319,046) | (3,580,750) |
| Gross profit | | 2,175,955 | 1,846,659 |
| Administrative expenses | | (622,700) | (602,193) |
| Operating profit | 3 | 1,553,255 | 1,244,466 |
| Income from participating interests | | 136,697 | 38,481 |
| Interest receivable | | 1,168 | 8,930 |
| Interest payable | | (120,000) | (120,000) |
| Profit on sale of fixed asset investments | | 201,880 | - |
| Profit on ordinary activities before taxation | | 1,773,000 | 1,171,877 |
| Taxation | 5 | - | 8,737 |
| Profit on ordinary activities after taxation | | 1,773,000 | 1,180,614 |
| Deed of Covenant payable | 6 | (1,767,078) | (1,354,125) |
| Profit/(Loss) for the financial year | 14 | 5,922 | (173,511) |

The results for the period include all recognised gains and losses.

There is no material difference between the results as disclosed and results on an unmodified historical cost basis.

Notes to the financial statements are shown on pages 8 to 16.

University of Warwick Science Park Limited

BALANCE SHEET at 31 July 2015

| | Notes | £ | 2015 £ | £ | 2014 £ |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 7 | | 10,313,480 | | 10,589,659 |
| Investments | 8 | | 350,001 | | 350,001 |
| Current assets | | | | | |
| Debtors | 9 | 2,266,322 | | 1,861,267 | |
| Cash at bank and in hand | | 823,179 | | 546,961 | |
| | | | <u>3,089,501</u> | <u>2,408,228</u> | |
| Creditors: Amounts falling due within one year | 10 | <u>(3,138,514)</u> | | <u>(2,596,955)</u> | |
| Net current (liabilities) | | | <u>(49,013)</u> | | <u>(188,727)</u> |
| Total assets less current liabilities | | | <u>10,614,468</u> | | <u>10,750,933</u> |
| Creditors: Amounts falling due after more than one year | 11 | | <u>(2,563,154)</u> | | <u>(2,705,541)</u> |
| Net assets | | | <u>8,051,314</u> | | <u>8,045,392</u> |
| Capital & reserves | | | | | |
| Called up share capital | 13 | | 27,997 | | 27,997 |
| Share premium account | | | 449,064 | | 449,064 |
| Profit and loss account | 14 | | 7,574,253 | | 7,568,331 |
| Shareholder's funds | 15 | | <u>8,051,314</u> | | <u>8,045,392</u> |

These financial statements were approved by the Board of Directors on 22 October 2015 and were signed on its behalf by:


N THRIFT
Director

Notes to the financial statements are shown on pages 8 to 16.

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Recognition of Income

Income from services rendered is included to the extent of completion of the contract or services concerned and is measured at the fair value of the consideration receivable.

Fixed Assets

Land and buildings

Land and buildings are stated at cost. Land is not depreciated as it is considered to have an indefinite life. Buildings under construction are not depreciated until they are completed. Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the costs of these assets. Buildings are depreciated in equal instalments over their expected useful lives of 50 years and laboratory and other major refurbishments over 10 to 20 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.

Equipment

Capitalised plant, equipment, fixtures and fittings both leased and owned, are stated at cost and depreciated in equal annual instalments over the following number of years.

| | |
|--|------------------------|
| Plant and equipment under finance leases | 10 years |
| Fixtures and fittings under finance leases | 5 years |
| Owned fixtures and fittings | Between 5 and 10 years |

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure on an accruals basis.

Pensions

Pension costs are recognised in the financial statements as recharged by The University of Warwick.

Deferred Tax

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.

Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

2. TURNOVER

Turnover arises from continuing activities in the United Kingdom, and is attributable to a single class of business – the operations of the Science Park and related business development activities.

3. OPERATING PROFIT

This has been arrived at after charging:

| | Year to 31 July 2015 | Year to 31 July 2014 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Auditor's remuneration - audit fees | 9,174 | 8,950 |
| - non audit | - | 4,285 |
| Depreciation – owned assets | 282,410 | 296,683 |
| Operating lease payments - land and buildings | 1,222,395 | 1,034,245 |
| - plant and machinery | 4,357 | 11,599 |

4. STAFF COSTS

Employees' remuneration and related costs during the year amounted to:

| | 2015 | 2014 |
|-------------------------------|---------|---------|
| | £ | £ |
| Wages and salaries | 698,648 | 730,206 |
| Social security costs | 54,552 | 58,362 |
| Other pension costs | 106,858 | 111,491 |
| Total employees' remuneration | 860,058 | 900,059 |

The average number of persons employed during the year was 21 (2014 – 22).

No directors have received any fee or remuneration for their services during the year (2014 - £nil).

Directors' and officers' liability insurance amounting to £871 (2014 - £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 - £5,000.

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

5. TAXATION

The tax (credit) / charge comprises:

| | Year to 31 July 2015 | Year to 31 July 2014 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Current tax | | |
| UK Corporation tax | - | - |
| Adjustments in respect of prior years: | | |
| UK Corporation tax | - | (8,737) |
| Total current tax | - | (8,737) |
| Deferred tax | | |
| Origination and reversal of timing differences | - | - |
| Effects of law changes | - | - |
| Adjustment in respect of prior years | - | - |
| Provision no longer required | - | - |
| Total deferred tax | - | - |
| Total tax on profit on ordinary activities | - | (8,737) |

6. DEED OF COVENANT PAYABLE

The Deed of Covenant payable is analysed as follows:

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Payable in respect of 2014/15 (2013/14) | 1,767,078 | 1,354,125 |
| | <u>1,767,078</u> | <u>1,354,125</u> |

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

7. TANGIBLE FIXED ASSETS

| | Long leasehold land and infrastructure | Long leasehold buildings | Fixtures, Fittings & Equipment | Total |
|-------------------------|---|--------------------------------|--------------------------------------|-------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 August 2014 | 3,373,356 | 11,547,183 | 987,777 | 15,908,316 |
| Additions | 6,231 | - | - | 6,231 |
| Disposals | - | - | (870,595) | (870,595) |
| As at 31 July 2015 | <u>3,379,587</u> | <u>11,547,183</u> | <u>117,182</u> | <u>15,043,952</u> |
| Depreciation | | | | |
| At 1 August 2014 | 910,083 | 3,424,553 | 984,021 | 5,318,657 |
| Charge for the year | 40,540 | 238,114 | 3,756 | 282,410 |
| Eliminated on disposals | - | - | (870,595) | (870,595) |
| At 31 July 2015 | <u>950,623</u> | <u>3,662,667</u> | <u>117,182</u> | <u>4,730,472</u> |
| Net book value | | | | |
| At 31 July 2015 | <u>2,428,964</u> | <u>7,884,516</u> | <u>-</u> | <u>10,313,480</u> |
| At 31 July 2014 | <u>2,463,273</u> | <u>8,122,630</u> | <u>3,756</u> | <u>10,589,659</u> |

A review of fixtures, fittings and equipment assets at the end of their useful economic life resulted in disposal of fully depreciated assets with a cost value of £870,595.

8. INVESTMENTS

| | 2015 £ | 2014 £ |
|---|-----------------------|-----------------------|
| Cost | 1,079,623 | 1,299,634 |
| Less: provision for diminution in value | (729,622) | (949,633) |
| | <u>350,001</u> | <u>350,001</u> |
| Represented by: | | |
| Associated undertakings | 350,001 | 350,001 |
| Other equity investments | - | - |
| | <u>350,001</u> | <u>350,001</u> |

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

8. INVESTMENTS (continued)

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 2015 | Year to 31 July 2014 |
|---------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Turnover | 226,822 | 220,452 |
| (Loss) before taxation | (2,876) | (5,702) |
| Taxation | - | - |
| Loss after taxation | (2,876) | (5,702) |
| Fixed assets | 1,166,310 | 982,505 |
| Current assets | 79,234 | 70,024 |
| Liabilities due within one year | (61,279) | (47,002) |
| Liabilities due in more than one year | (1,759,599) | (1,762,484) |
| Shareholders' funds | (575,334) | (756,957) |

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:

| | 2015 £ | 2014 £ |
|---------------------------------------|-----------|-----------|
| Turnover | 149,003 | 149,367 |
| Profit before taxation | 23,366 | 31,017 |
| Taxation | (8,922) | (11,051) |
| Profit after taxation | 14,444 | 19,966 |
| Fixed assets | 771,000 | 735,000 |
| Current assets | 66,604 | 90,970 |
| Liabilities due within one year | (76,234) | (73,592) |
| Liabilities due in more than one year | (625,995) | (591,765) |
| Shareholders' funds | 135,376 | 160,613 |

Other equity investments:

The Mercia Fund 2

During the year, the company disposed of its investment in Mercia Fund 2 for £201,880. The fund was a partnership between a number of partner institutions including several universities and the General Partner Mercia Fund Managers Ltd. The company's investment comprised a capital contribution of £250,000 being 4.9% of the total capital contributions. The investment had been fully provided for.

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

| 9. DEBTORS | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Trade debtors | 192,743 | 431,752 |
| Other debtors and prepayments | 273,702 | 235,944 |
| Corporation tax | - | - |
| Amount due from the University of Warwick | 1,764,715 | 1,155,091 |
| Dividend receivable | 35,162 | 38,480 |
| | <u>2,266,322</u> | <u>1,861,267</u> |

| 10. CREDITORS (amounts falling due within one year) | 2015 | 2014 |
|--|------------------|------------------|
| | £ | £ |
| Trade creditors | 130,188 | 196,859 |
| Other taxation and social security | 106,955 | 52,306 |
| Accruals | 80,872 | 141,613 |
| Amount due to the University of Warwick | 1,598,077 | 1,161,245 |
| Receipts in advance | 385,314 | 296,792 |
| Government grants | 142,386 | 142,591 |
| Sinking fund | 694,722 | 605,549 |
| | <u>3,138,514</u> | <u>2,596,955</u> |

| 11. CREDITORS (amounts falling due after more than one year) | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Government grants | 563,154 | 705,541 |
| Debenture loan due to the University of Warwick | 2,000,000 | 2,000,000 |
| | <u>2,563,154</u> | <u>2,705,541</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.

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

12. DEFERRED TAXATION

As explained in the accounting policies note, 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.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.67%. The differences are explained below:

| | Year to 31 July 2015 | Year to 31 July 2014 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Profit on ordinary activities before tax | 1,773,000 | 1,171,877 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.67% (2014: 22.3%) | 366,479 | 261,328 |
| Expenses not deductible for tax purposes | (16,940) | (13,213) |
| Depreciation in excess of capital allowances | 46,263 | 44,724 |
| Dividend income and debt interest | (7,268) | (8,581) |
| Disposal of Investment | (41,728) | - |
| Deed of covenant | (365,255) | (301,970) |
| Other timing differences | 18,449 | 17,712 |
| | - | - |
| Adjustment to tax in respect of previous periods | - | (8,737) |
| Current tax charge/ (credit) for the year (note 5) | - | (8,737) |

13. SHARE CAPITAL

| | 2015 | 2014 |
|--|--------|--------|
| | £ | £ |
| 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 |
| | 37,092 | 37,092 |
| 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 |
| | 27,997 | 27,997 |

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

14. PROFIT AND LOSS ACCOUNT

| | Year to 31 July 2015 | Year to 31 July 2014 |
|-------------------------------|-------------------------|-------------------------|
| | £ | £ |
| At 1 August | 7,568,331 | 7,741,842 |
| Profit/ (Loss) for the period | 5,922 | (173,511) |
| At 31 July | <u>7,574,253</u> | <u>7,568,331</u> |

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Retained profit/(loss) for the financial period | 5,922 | (173,511) |
| Opening shareholder's funds | 8,045,392 | 8,218,903 |
| Closing shareholder's funds | <u>8,051,314</u> | <u>8,045,392</u> |

16. PENSIONS

The Company participates in the University of Warwick Pension Scheme. In addition, defined contributions are paid into a group personal pension plan.

The pension costs charged to the profit and loss account during the year were £106,858 (2014 – £111,491), which includes amounts paid to the University of Warwick for pension costs attributable to seconded staff.

Disclosures required by FRS17 are included in the consolidated accounts of the University of Warwick.

17. FINANCIAL COMMITMENTS

At 31 July 2015, the Company had annual commitments under non-cancellable operating leases as set out below.

| | 2015 Other | 2014 Other |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Operating lease which expire: | | |
| - In less than one year | 3,435 | 2,525 |
| - Between one and five years | 5,393 | 5,744 |
| - Over five years | - | - |

In addition, the Company has operating lease commitments to the University of Warwick and third parties in respect of land and buildings under rent sharing underleases. The annual payment is based on a share of the occupational rental income, with a typical annual value of £1,000,000. The rent sharing underleases all expire in over five years.

University of Warwick Science Park Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2015 (continued)

18. ULTIMATE PARENT ENTITY

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 University of Warwick, Coventry, CV4 8UW.

19. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of the University of Warwick, and is included in the consolidated accounts of the University which are publicly available. As such, the Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the University of Warwick group.

The Company has a management agreement with the University of Warwick Science Park Business Innovation Centre Ltd whereby it manages the company's property. During the year ending 31 July 2015, management charges of £73,855 (2014: £70,670) were paid.

The Company also purchased goods and services on behalf of the University of Warwick Business Innovation Centre Ltd which were recharged at cost. During the year this amounted to £78,588 (2014: £83,585). The net amount owed to the Company at as 31 July 2015 amounted to £12,656 (2014: £16,799).

The University of Warwick Business Innovation Centre Ltd also purchased goods and services on behalf of the Company which were recharged at cost. During the year this amounted to £36,799 (2014: £14,590). The amount owed by the Company as at 31 July 2015 amounted to £277 (2014: £14,590).

The Company has a management agreement with the University of Warwick Science Park Innovation Centre Ltd whereby it manages the company's property. During the year ending 31 July 2015, management charges of £66,622 (2014: £63,834) were paid.

The Company also purchased goods and services on behalf of the University of Warwick Innovation Centre Ltd which were recharged at cost. During the year this amounted to £202,895 (2014: £166,011). The net amount owed to the Company at as 31 July 2015 amounted to £28,451 (2014: £71,079).

20. CONSOLIDATED ACCOUNTS

The Company is a wholly owned subsidiary of the University of Warwick, and is included in the consolidated accounts of the University which are publicly available. As such, the Company is exempt from preparing consolidated accounts.