

Company Number: 1659656

**UNIVERSITY OF WARWICK
SCIENCE PARK LIMITED**

Annual Report

Year Ended 30 September 2000



UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

**Annual report
for the year ended 30 September 2000**

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UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Report of the directors for the year ended 30 September 2000

Directors and advisers

Non-executive directors

Professor Sir B K Follett
Professor R G Dyson
Mr K Thomas
Mr H R P Thompson
Mr A Hope
Councillor C D Bain
Councillor R P L Morris-Jones
Mr A Skipper
Councillor R Waugh
Mr P Howden
Dr I D Nussey

Secretary and registered office

Dr J W Nicholls
Senate House
University of Warwick
Coventry
CV4 7AL

Auditors

Grant Thornton
Chartered Accountants
32-34 Queens Road
Coventry
CV1 3FJ

Solicitors

Martineau Johnson
St Phillips House
St Phillips Place
Birmingham
B3 2PP

Bankers

Barclays Bank plc
University of Warwick Branch
University of Warwick
Coventry
CV4 7AL

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Report of the directors for the year ended 30 September 2000

The directors present their report and the audited financial statements for the year ended 30 September 2000.

Principal activities

The University of Warwick Science Park Limited aims to provide a focus for technology transfer and information exchange between University research and the commercial exploitation of high technology processes. In establishing the company, the shareholders intended that the Science Park should build upon the joint strength of a well established scientific community and a skilled workforce to play an important role in the economy of the West Midlands region.

Review of business and future developments

The financial position at the end of the year was satisfactory, and the current level of activity is expected to continue into the foreseeable future. Turnover for the year increased from £2,970,719 to £3,098,383, with rents received increasing by £70,690 due to the continuing high levels of occupancy throughout the year to 30 September 2000. Service charges and other services provided increased from £856,115 to £913,089.

The company had signed an agreement with Coventry City Council and the Chamber during December 1998 for a joint investment to construct and operate a Business Innovation Centre in Coventry similar to the incubator unit on the Warwick Technology Park. Construction was completed at the beginning of May 2000 and, by the end of September 2000, 16 tenants had taken up occupation.

During March 2001, the company entered into a development agreement with Warwickshire County Council to construct a third phase extension to the Innovation Centre on the adjacent land on the Warwick Technology Park. The construction cost of the extension will amount to around £1,400,000 and be funded by the company's own reserves, some borrowing and a grant from Advantage West Midlands. It was anticipated that construction would commence shortly and be complete by early October 2001.

Project activity, and resulting costs, were again expanded during the year, and overall progress was maintained on these projects which are of benefit to companies in the region.

Results and Dividends

The profit for the year before taxation amounted to £159,202 (1999: £158,342) and the profit after taxation was £90,204 (1999: £104,192).

The directors do not recommend the payment of a dividend and the profit has therefore been retained.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Report of the directors for the year ended 30 September 2000

Directors

Name	Representing
Professor Sir B K Follett	University of Warwick
Professor R G Dyson	University of Warwick (appointed 2 November 1999)
Mr H R P Thompson	University of Warwick
Mr K Thomas	West Midlands Enterprise Ltd
Mr A Hope	West Midlands Enterprise Ltd
Councillor C D Bain	Warwickshire County Council (appointed 5 June 2000)
Councillor R P L Morris-Jones	Warwickshire County Council
Mr A Skipper	Coventry City Council
Councillor R Waugh	Coventry City Council
Dr I D Nussey	Independent
Mr P Howden	Independent

Councillor D A Forwood resigned as a director with effect from 17 April 2000.

Directors' interests in the shares of the company

No directors held interests in the shares of the company at 30 September 2000, or at any time during the year.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Report of the directors for the year ended 30 September 2000

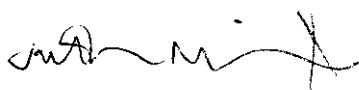
Charitable donations

Donations made during the year to charitable organisations amounted to £77,000 (1999: £132,000) and comprised a donation made to The University of Warwick Science Park Foundation.

Auditors

Grant Thornton having offered themselves for re-appointment as auditors shall be deemed to be re-appointed for the next financial year in accordance with section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD



J W NICHOLLS
Secretary
27 March 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE UNIVERSITY OF WARWICK SCIENCE PARK LIMITED**

We have audited the financial statements on pages 6 to 23 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
COVENTRY**

27 March 2001

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Profit and loss account for the year ended 30 September 2000

	Note	2000	1999
		£	£
Turnover	2	3,098,383 =====	2,970,719 =====
Operating Profit	2	168,256	197,442
Income from fixed asset investments	3	43,974	9,511
Interest receivable and similar income		25,762	21,758
Other income		11,560	11,560
Interest payable and similar charges	6	(90,350) -----	(81,929) -----
Profit on ordinary activities before taxation		159,202	158,342
Tax on profit on ordinary activities	7	(68,998) -----	(54,150) -----
Profit for the financial year		90,204 =====	104,192 =====
Statement of retained profits			
Retained profits at 1 October 1999		1,164,324	1,060,132
Profit for the financial year		90,204 -----	104,192 -----
Retained profits at 30 September 2000		1,254,528 =====	1,164,324 =====

The accompanying accounting policies and notes form an integral part of these financial statements.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Balance sheet at 30 September 2000

	Note	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	8		12,875,370		13,022,628
Investments	9		1,079,623		1,079,623
Current assets					
Debtors	10	625,720		401,859	
Cash at bank and in hand		<u>991,814</u>		<u>982,813</u>	
		1,617,534		1,384,672	
Creditors: amounts falling due within one year	11	<u>(1,186,394)</u>		<u>(1,119,062)</u>	
Net current assets			431,140		265,610
Total assets less current liabilities			<u>14,386,133</u>		<u>14,367,861</u>
Creditors: amounts falling due after more than one year	12	(3,077,658)		(3,138,030)	
Accruals and deferred income	15	<u>(577,789)</u>		<u>(589,349)</u>	
			<u>(3,655,447)</u>		<u>(3,727,379)</u>
			10,730,686		10,640,482
			=====		=====
Capital and reserves					
Called up share capital	16		27,997		27,997
Share premium	17		449,064		449,064
Revaluation reserve	17		8,999,097		8,999,097
Profit and loss account	17		1,254,528		1,164,324
Shareholders' funds	18		<u>10,730,686</u>		<u>10,640,482</u>
			=====		=====

The financial statements were approved by the Board of Directors on 27 March 2001.

Director

BK Follis

Director

John Turner

AS X

The accompanying accounting policies and notes form an integral part of these financial statements.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Cash flow statement for the year ended 30 September 2000

	Note	2000	1999
		£	£
Net cash inflow from operating activities	25	327,843	837,621
Dividends received from joint venture		43,974	9,511
Returns on investments and servicing of finance:			
Interest received	25,155	21,396	
Interest paid	(90,087)	(79,063)	
Net cash outflow from returns on investments and servicing of finance		(64,932)	(57,667)
Taxation:			
Corporation tax paid		(58,335)	(9,271)
Capital expenditure			
Purchase of tangible fixed assets	(187,927)	(91,497)	
Net cash outflow from capital expenditure		(187,927)	(91,497)
Acquisitions and disposals			
Purchase of investments	-	(729,622)	
Net cash outflow from acquisitions and disposals		-	(729,622)
Net cash inflow/(outflow) before financing		60,623	(40,925)
Financing:			
Repayment of borrowing	(51,622)	(52,168)	
New borrowing	-	425,000	
Net cash (outflow)/inflow from financing		(51,622)	372,832
Increase in cash	26	<u>9,001</u>	<u>331,907</u>

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Statement of total recognised gains and losses for the year ended 30 September 2000

	2000	1999
£	£	£
Profit for the financial year	90,204	104,192
Unrealised surplus on revaluation of land and buildings:		
Increase in valuation	-	1,895,195
Depreciation eliminated upon revaluation	-	711,745
	-	2,606,940
Total recognised gains and losses for the year	90,204	2,711,132

Note of historical cost profits and losses

	2000	1999
£	£	£
Profit on ordinary activities before taxation	159,202	158,342
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	117,777	80,858
Historical cost profit on ordinary activities before taxation	276,979	239,200
Historical cost profit retained	207,981	185,050

The accompanying accounting policies and notes form an integral part of these financial statements.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

1 Principal accounting policies

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention except that leasehold land and buildings are shown at their revalued amounts.

Fixed assets

Fixed assets other than leasehold land and buildings are stated at their purchase cost together with any directly attributable costs of acquisition.

The valuation of leasehold land and infrastructure is amortised over the remaining period of the lease commencing from the date that those assets are first brought into use. The valuation of leasehold buildings is amortised over 60 years or the remaining period of the lease if shorter.

Fixtures and fittings are depreciated over 5 years by the straight line method. Sundry plant and equipment is carried forward at a nominal value, the cost being written off in the year in which the expenditure occurs.

Turnover

Turnover represents rents, services and service charges receivable.

Deferred tax

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is shown as a contingent liability.

Investments

Investments are stated at cost less amounts written off.

Income from investments

Investment income comprises dividends declared during the accounting period.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements continued for the year ended 30 September 2000

Pension schemes

The company participates in two defined benefit pension schemes. Each of the funds is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years, the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees services. The effects of variations from the regular cost are spread over the expected average remaining service lives of members of the schemes.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements continued
for the year ended 30 September 2000

2 Turnover and profit on ordinary activities

	2000 £	1999 £
Turnover	3,098,383	2,970,719
Rent payable	(913,618)	(916,074)
Administration expenses	(1,797,118)	(1,487,725)
Establishment expenses	(650,906)	(616,615)
Grants receivable	431,515	247,137
	<hr/>	<hr/>
Operating Profit	168,256 =====	197,442 =====

Turnover consists entirely of sales made in the United Kingdom and includes revenue of £2,185,294 from operating leases (1999 £2,114,604).

Profit on ordinary activities is stated after charging/(crediting):-

	2000 £	1999 £
Auditors' remuneration	9,000	7,680
Operating lease rentals for plant and machinery	9,314	9,582
Depreciation of tangible fixed assets	152,811	116,946
Lease amortisation	182,374	144,162
Grants receivable	(431,515)	(247,137)
Donations	77,000	132,000
	<hr/>	<hr/>

3 Income from fixed asset investments

	2000 £	1999 £
From shares in group undertaking - University of Warwick Science Park Innovation Centre Limited	43,974 =====	9,511 =====

4 Directors' emoluments

The directors received no emoluments from the company during the year (1999: NIL)

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements continued for the year ended 30 September 2000

5 Employee information

The average weekly number of persons employed by the company during the year is analysed below:

	2000	1999
Employees	24	20
	==	==
Employment costs:	2000	1999
	£	£
Wages and salaries	532,031	439,742
Social security costs	43,072	35,719
Other pension costs	63,399	50,732
	-----	-----
Total direct costs of employment	638,502	526,193
	=====	=====

6 Interest payable and similar charges

	2000	1999
	£	£
On bank loans and overdrafts	67,260	59,589
On other loans	23,090	22,340
	-----	-----
	90,350	81,929
	=====	=====

7 Taxation

	2000	1999
	£	£
The tax charge represents:		
Corporation tax at 22% (1999 21%)	68,998	54,150
	=====	=====

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements continued
for the year ended 30 September 2000

8 Tangible fixed assets

	Long leasehold land and infra- structure	Long leasehold buildings	Fixtures fittings and sundry plant and equipment	Total
	£	£	£	£
Cost or valuation				
1 October 1999	5,825,166	6,955,334	914,716	13,695,216
Additions	-	77,615	110,312	187,927
	<hr/>	<hr/>	<hr/>	<hr/>
30 September 2000	5,825,166	7,032,949	1,025,028	13,883,143
	=====	=====	=====	=====
Depreciation				
1 October 1999	-	-	672,588	672,588
Charge for year	44,125	138,249	152,811	335,185
	<hr/>	<hr/>	<hr/>	<hr/>
30 September 2000	44,125	138,249	825,399	1,007,773
	=====	=====	=====	=====
Net book value				
30 September 2000	5,781,041	6,894,700	199,629	12,875,370
	=====	=====	=====	=====
Net book value				
30 September 1999	5,825,166	6,955,334	242,128	13,022,628
	=====	=====	=====	=====
Cost or valuation at 30 September 2000 is represented by:				
Valuation	5,825,166	6,955,334	-	12,780,500
Cost	-	77,615	1,025,028	1,102,643
	<hr/>	<hr/>	<hr/>	<hr/>
	5,825,166	7,032,949	1,025,028	13,883,143
	=====	=====	=====	=====

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements continued for the year ended 30 September 2000

Valuations

At 30 September 1999 the land and buildings were professionally valued by FPD Savill and at 30 September 2000 are included at the valuation of £12,780,500. The basis of the valuation used was open market value. The surplus arising was transferred to the revaluation reserve.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, these assets are unlikely to be disposed of in the foreseeable future.

The historical cost and related depreciation of land and buildings included at a valuation are set out below:

	Long leasehold land and infrastructure		Long leasehold buildings	
	2000	1999	2000	1999
	£	£	£	£
Historical cost	2,920,158	2,920,158	2,663,228	2,585,613
Depreciation based on cost	(262,272)	(241,708)	(423,210)	(379,177)
Historical cost net book value	<u>2,657,886</u>	<u>2,678,450</u>	<u>2,240,018</u>	<u>2,206,436</u>

9 Fixed asset investments

	2000	1999
Interests in joint ventures	<u>1,079,623</u>	<u>1,079,623</u>

At 30 September 2000 the company had interests in the following joint ventures:

(1) University of Warwick Science Park Innovation Centre Limited

The University of Warwick Science Park Limited is the holder of 350,001 'B' Ordinary Shares of £1 each representing 100% of that class in the University of Warwick Science Park Innovation Centre Limited. Warwickshire County Council is also a shareholder of the company holding 87,500 'A' Ordinary Shares of £1 each and 952,500 'A' Preference Shares of £1 each, representing 100% of the shares issued of those classes. The objects of the company are to construct and operate an incubator unit on the Warwick Technology Park. The University of Warwick Science Park Limited is also standing as guarantor for loans of £571,000 to assist in the construction, and has also committed itself to provide working capital up to £150,000, on a temporary loan basis, during the initial stages of the company's life.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements continued for the year ended 30 September 2000

A Shareholder's Agreement restricts the voting rights of members and directors such that the University of Warwick Science Park Innovation Centre Limited falls within the Companies Act 1985 definition of an associated undertaking, and under FRS9 is classed as a joint venture. The company made a profit after taxation of £180,747 for the year to 30 September 2000 (1999 £121,597) and had capital and reserves amounting to £2,736,424 at 30 September 2000 (1999 £2,660,029).

(2) University of Warwick Science Park Business Innovation Centre Limited

The University of Warwick Science Park Limited is the holder of 4,501 'B' Ordinary Shares of £1 each representing 100% of that class in the University of Warwick Science Park Business Innovation Centre Limited. Coventry City Council and the Coventry and Warwickshire Chamber of Commerce Training and Enterprise are also shareholders of the company. Coventry City Council holds 2,000 'A' Ordinary Shares of £1 each and 152,166 'A' Preference Shares of £1 each and the Chamber holds 3,500 'C' Ordinary Shares of £1 each. These holdings also represent 100% of the shares issued of those classes.

The objects of the company are to construct and operate a business incubator unit on the Binley Business Park. A Shareholder's Agreement restricts the voting rights of members and directors such that the University of Warwick Science Park Business Innovation Centre Limited falls within the Companies Act 1985 definition of an associated undertaking, and under FRS9 is classed as a joint venture. The company made a loss of £158,708 for the year to 30 September 2000 (1999 £63,354) and had capital and reserves of £(59,895) at 30 September 2000 (1999: £98,813).

Cost and net book amount	Shares £	Loans £	Total £
At 1 October 1999 and 30 September 2000	354,502 =====	725,121 =====	1,079,623 =====
10 Debtors			
	2000 £		1999 £
Trade debtors	306,413		245,804
Prepayments and accrued income	309,307		145,763
Other debtors	10,000		-
Amount owed by group undertaking - University of Warwick Science Park Business Innovation Centre Limited	-		10,292
	625,720 =====		401,859 =====

Included within prepayments and accrued income is an amount of £22,978 (1999 £25,377) due after more than one year.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

11 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	488,402	432,237
Bank loans (see note 12)	64,904	56,154
Corporation tax	70,542	59,879
Other creditors including:		
Sinking fund (see note 13)	139,077	124,025
Interest payable on debenture loans	14,339	14,339
Amount owed to group undertaking - University of Warwick Science Park Innovation Centre Limited	32,706	22,714
University of Warwick Science Park Business Innovation Centre Limited	84,574	-
Other creditors	21,315	37,474
Accruals and deferred income	270,535	372,240
	<hr/>	<hr/>
	1,186,394	1,119,062
	=====	=====

12 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Debenture loans	2,308,980	2,308,980
Bank loans	768,678	829,050
	<hr/>	<hr/>
	3,077,658	3,138,030
	=====	=====

The bank loans are secured by legal charges over certain land and buildings. The debenture loans are secured on the company's other leasehold property ranking after the banks' charges.

An analysis of the debenture loans by due date of repayment is set out below:

	2000 £	1999 £
Repayable after five years:		
1% Debenture loans 2011/2012	1,811,250	1,811,250
1% Debenture loan 2015/2016	323,730	323,730
1% Debenture loan 2016/2017	99,000	99,000
1% Other debenture loans	75,000	75,000
	<hr/>	<hr/>
	2,308,980	2,308,980
	=====	=====

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

The debentures are held by the University of Warwick, Coventry City Council and Warwickshire County Council.

Bank loans:

Repayable by instalments within one year	64,904	56,154
After one and within two years	91,154	64,904
After two and within five years	273,462	273,462
After five years	404,062	490,684
	<hr/>	<hr/>
	833,582	885,204
	=====	=====

Interest on bank loans is charged at 1.5% over LIBOR on £125,890, fixed at 7.93% on £350,000, and capped at 7.5% until September 2004 on £357,692.

13 Sinking fund

The sinking fund comprises monies held against future essential major repairs on buildings in which the company has a long leasehold interest. The movement on the sinking fund during the year is set out below:-

	£
At 1 October 1999	124,025
Payment into fund	9,775
Interest receivable	5,277
	<hr/>
At 30 September 2000	139,077
	=====

14 Deferred taxation

Deferred taxation provided for and not provided for in the financial statements is set out below. The amounts unprovided represent contingent liabilities at the balance sheet date and are calculated using a tax rate of 30%.

	Amount provided		Amount unprovided	
	2000	1999	2000	1999
	£	£	£	£
Unrealised capital gains	-	-	1,593,000	1,653,000
Accelerated capital allowances	-	-	348,000	361,000
Other timing differences	-	-	(42,000)	(37,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	1,899,000	1,977,000
	===	===	=====	=====

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

15 Accruals and deferred income

	£
Government and other grants	
At 1 October 2000	589,349
Amortisation in year	(11,560)
	<hr/>
At 30 September 2000	577,789
	=====

16 Called up share capital

	2000	1999
	£	£
Authorised:		
Voting share capital		
27,092 shares of £1 each	27,092	27,092
Non voting share capital		
10,000 shares of £1 each	10,000	10,000
	<hr/>	<hr/>
	37,092	37,092
	=====	=====
Allotted, called up and fully paid		
Voting share capital		
27,092 shares of £1 each	27,092	27,092
Non voting share capital		
905 shares of £1 each	905	905
	<hr/>	<hr/>
	27,997	27,997
	=====	=====

The voting and non-voting shares are both equity shares and rank pari passu in all respects other than in respect to voting rights.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

17 Share premium account and reserves

	Share Premium Account £	Revaluation Reserve (see note 8) £	Profit and Loss Account £
At 1 October 1999	449,064	8,999,097	1,164,324
Profit for year	-	-	90,204
	<hr/>	<hr/>	<hr/>
At 30 September 2000	449,064 =====	8,999,097 =====	1,254,528 =====

18 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	90,204	104,192
Other recognised gains and losses	-	2,606,940
	<hr/>	<hr/>
Increase in shareholders' funds	90,204	2,711,132
Shareholders' funds at 1 October 1999	10,640,482	7,929,350
	<hr/>	<hr/>
Shareholders' funds at 30 September 2000	10,730,686 =====	10,640,482 =====

19 Contingent liabilities

At 30 September 2000 the company had a contingent liability as guarantor of a bank loan of £571,000 (1999 £640,000) taken by The University of Warwick Science Park Innovation Centre Limited, (Note 9), and a commitment to provide up to £150,000 in working capital to that company. No call had been made on this facility at 30 September 2000. There were no other contingent liabilities at 30 September 2000 and 30 September 1999 except in respect of deferred taxation (Note 14).

20 Capital commitments

The company had no capital commitments at 30 September 2000 or 30 September 1999.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

21 Leasing commitments

The company has financial commitments in respect of non-cancellable operating leases of sundry plant and machinery. The rentals payable under these leases in the next year are as follows:-

	2000	1999
	£	£
Date of lease termination:		
Within one year	-	7,168
In second to fifth years inclusive	12,316	9,538
	<hr/>	<hr/>
	12,316	16,706
	=====	=====

22 The Local Government and Housing Act 1989

The Directors are of the opinion that the Company does not, and did not have for the year ending 30 September 1999, any business relationship with any local authority, as defined under Section 69(3) of the Local Government and Housing Act 1989.

23 Pension Schemes

Certain employees are members of the University of Warwick Pension Scheme. This is an exempt-approved pension scheme. The scheme provides retirement benefits (based on final pensionable salary) and lump sum and spouses death in service benefits. The scheme is set up under trust and the assets are held in a separate trustee administered fund. The last actuarial valuation was as at 6 April 1998. The pension costs were assessed in accordance with the advice of a qualified actuary using the Projected Unit method. The major financial assumptions used were that the long term investment returns would average 8.5% per annum compound, that long term salary increases (both promotional and inflationary) would average 7% per annum compound, and that pensions would increase at a minimum rate of 5% per annum compound.

The market value of the assets at 5 April 1998 was £45,351,148 and the actuarial valuation of the assets showed them to be sufficient to cover 106% of the benefits which had accrued to members after allowing for expected future increases in earnings. On the advice of the actuary, the University of Warwick will pay contributions from 1 January 1999 at 14% of earnings, compared with the 15.25% long term rate calculated by the actuary.

Other employees are members of the Universities Superannuation Scheme. The scheme provides retirement benefits (based on final pensionable salary). The assets of the scheme are held in a separate trustee administered fund.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

The last actuarial valuation for which figures were available at the end of the financial year was at 31 March 1999. The pension costs were assessed in accordance with the advice of a qualified actuary using the Projected Unit method. The major financial assumptions used were that the long term investment returns would be 5.5% per annum, that long term salary increases would be 3.5% per annum and that pensions would increase by 2.5% per annum. The market value of the assets at 31 March 1999 was £18,870 million and the actuarial valuation of the assets showed them to be sufficient to cover 108% of the benefits which had accrued to members after allowing for expected future increases in earnings. The pension contribution charged in the accounts was 14% of pensionable salaries.

The company's contributions to the schemes are shown in note 5 of these accounts.

24 Related party transactions

The University of Warwick Science Park Foundation is a related party of the company by virtue of common membership. A donation of £77,000 (1999:£132,000) was made to the Foundation and a £17,000 grant received (1998:£32,000) in respect of the student project scheme.

The University of Warwick Science Park Innovation Centre Limited and University of Warwick Science Park Business Innovation Centre Limited (see Note 9) have management agreements with the company whereby the University of Warwick Science Park Limited manages their properties. During the year management charges totalling £37,388 were received from the University of Warwick Science Park Innovation Centre Limited and £27,866 from the University of Warwick Science Park Business Innovation Centre Limited.

Under the terms of certain leases with Coventry City Council and Coventry Venture Capital Limited (a subsidiary of the West Midlands Enterprise Ltd) rents of £561,671 and £93,930 respectively were collected and accounted for on their behalf. Coventry City Council and West Midlands Enterprise Ltd are related parties of the University of Warwick Science Park Limited by virtue of their shareholdings.

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Notes to the financial statements for the year ended 30 September 2000

25 Net cash inflow from operating activities

	2000	1999
	£	£
Operating profit	168,256	197,442
Depreciation	335,185	261,108
(Increase) decrease in debtors	(223,254)	381,930
Increase (decrease) in creditors	47,656	(2,859)
	<hr/>	<hr/>
Net cash inflow from operating activities	327,843	837,621
	=====	=====

26 Reconciliation of net cash flow to movement in net debt

	2000	1999
	£	£
Increase in cash in the year	9,001	331,907
Cash outflow/(inflow) from financing	51,622	(372,832)
	<hr/>	<hr/>
Movement in net debt in the year	60,623	(40,925)
Net debt at 1 October 1999	(2,211,371)	(2,170,446)
	<hr/>	<hr/>
Net debt at 30 September 2000	(2,150,748)	(2,211,371)
	=====	=====

27 Analysis of Changes in Net Debt

	<u>At 1 October 1999</u>	<u>Cash Flow</u>	<u>At 30 September 2000</u>
Cash at bank and in hand	982,813	9,001	991,814
Debt	(3,194,184)	51,622	(3,142,562)
	<hr/>	<hr/>	<hr/>
Net debt	(2,211,371)	60,623	(2,150,748)
	=====	=====	=====

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Profit and loss account for the year ended 30 September 2000

	£	2000 £	£	1999 £
Turnover		3,098,383		2,970,719
Direct expenses				
Rent payable		(913,618)		(916,074)
Operating expenses				
Administrative expenses		(1,365,603)		(1,240,588)
Establishment expenses		(650,906)		(616,615)
Operating profit		<u>168,256</u>		<u>197,442</u>
Other income				
Interest receivable		25,762		21,758
Dividend received		43,974		9,511
Grants received		11,560		11,560
		<u>249,552</u>		<u>240,271</u>
Other expenses				
Debenture loan interest	(23,090)		(22,340)	
Interest on secured loan	(67,260)		(59,589)	
		<u>(90,350)</u>		<u>(81,929)</u>
Profit on ordinary activities before taxation		159,202 =====		158,342 =====

UNIVERSITY OF WARWICK SCIENCE PARK LIMITED

Operating expense details for the year ended 30 September 2000

	2000 £	£	1999 £	£
Administrative expenses				
Advertising and publicity	98,644		81,230	
Bad debts	39,796		5,713	
Bank charges and interest	3,709		3,608	
Depreciation	152,811		116,946	
Lease amortisation	182,374		144,162	
Leasing and hire charges	2,887		2,103	
Legal, professional and consultancy	58,631		83,552	
Postage and telephone	197,489		166,378	
Printing and stationery	34,541		28,939	
Publications and translations	1,978		1,724	
Staff training and welfare	30,177		17,623	
Subscriptions	5,568		5,669	
Sundry expenses	164,303		109,259	
Travel, subsistence and entertaining	15,592		14,544	
Wages and salaries	532,031		439,742	
Staff pension	63,399		50,732	
Wages-employer's NI	43,072		35,719	
Subcontracted project costs	93,116		48,082	
Grants receivable	(431,515)		(247,137)	
		1,288,603		1,108,588
Donation-charitable		77,000		132,000
		<hr/>		<hr/>
		1,365,603		1,240,588
		=====		=====
Establishment expenses				
Cleaning	79,087		70,309	
Landscaping	63,785		65,204	
Light and heat	49,700		44,605	
Other services	52,081		30,039	
Insurance	28,629		29,031	
Repairs, renewals and landlords costs	243,765		254,244	
Security	133,859		123,183	
		<hr/>		<hr/>
		650,906		616,615
		=====		=====