

COMPANY REGISTRATION NUMBER 4151164

**PORTSMOUTH TECHNOPOLE LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH 2008**

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# PORTSMOUTH TECHNOPOLE LTD

## THE DIRECTORS' REPORT

### YEAR ENDED 31ST MARCH 2008

The directors present their report and the financial statements of the company for the year ended 31st March 2008

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the construction and management of technology innovation centres

### DIRECTORS

The directors who served the company during the year were as follows

MJ Wilkinson  
IM Laing  
PA Bradstock

The company is a wholly owned subsidiary and the interests of group directors will be disclosed in the accounts of the holding company

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,

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 proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

The auditor, Mercer Lewin Ltd, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on

## PORTSMOUTH TECHNOPOLE LTD

### THE DIRECTORS' REPORT *(continued)*

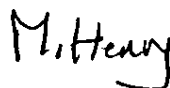
YEAR ENDED 31ST MARCH 2008

#### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
Oxford Centre for Innovation  
Mill St  
Oxford  
OX2 0JX

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'M. Henry', written in a cursive style.

M Henry  
Company Secretary

Approved by the directors on 18th June 2008

# **PORTSMOUTH TECHNOPOLE LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF PORTSMOUTH TECHNOPOLE LTD**

### **YEAR ENDED 31ST MARCH 2008**

We have audited the financial statements of Portsmouth Technopole Ltd for the year ended 31st March 2008 on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 8

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# PORTSMOUTH TECHNOPOLE LTD

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF PORTSMOUTH TECHNOPOLE LTD *(continued)*

YEAR ENDED 31ST MARCH 2008

### OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st March 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

41 Cornmarket Street  
Oxford  
OX1 3HA

27th June 2008



MERCER LEWIN LTD  
Chartered Accountants  
& Registered Auditors

**PORTSMOUTH TECHNOPOLE LTD****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>TURNOVER</b>		534,748	675,701
Cost of sales		460,217	460,861
<b>GROSS PROFIT</b>		<u>74,531</u>	<u>214,840</u>
Administrative expenses		37,370	42,049
<b>OPERATING PROFIT</b>	<b>2</b>	<u>37,161</u>	<u>172,791</u>
Interest receivable		3,381	4,379
Interest payable and similar charges		(124,011)	(113,202)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(83,469)</u>	<u>63,968</u>
Tax on (loss)/profit on ordinary activities	<b>3</b>	(24,176)	23,602
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(59,293)</u>	<u>40,366</u>

The notes on pages 8 to 12 form part of these financial statements

**PORTSMOUTH TECHNOPOLE LTD****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31ST MARCH 2008**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year attributable to the shareholder	(59,293)	40,366
Unrealised (loss)/profit on revaluation of certain fixed assets	<u>(310,241)</u>	<u>28,891</u>
Total gains and losses recognised since the last annual report	<u>(369,534)</u>	<u>69,257</u>

The notes on pages 8 to 12 form part of these financial statements

**PORTSMOUTH TECHNOPOLE LTD****BALANCE SHEET****31ST MARCH 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	4	3,631,034	4,049,618
<b>CURRENT ASSETS</b>			
Debtors	5	21,801	25,279
Cash at bank and in hand		53,858	140,014
		<u>75,659</u>	<u>165,293</u>
<b>CREDITORS. Amounts falling due within one year</b>	6	<u>134,752</u>	<u>155,000</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(59,093)	10,293
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,571,941</u>	<u>4,059,911</u>
<b>CREDITORS. Amounts falling due after more than one year</b>	7	1,718,919	1,766,870
		<u>1,853,022</u>	<u>2,293,041</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	8	39,461	62,805
Deferred government grants	9	887,541	934,682
		<u>926,020</u>	<u>1,295,554</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	650,000	650,000
Revaluation reserve	12	372,461	688,439
Profit and loss account	13	(96,441)	(42,885)
<b>SHAREHOLDER'S FUNDS</b>	14	<u>926,020</u>	<u>1,295,554</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the directors and authorised for issue on 18th June 2008, and are signed on their behalf by



MJ Wilkinson



# PORTSMOUTH TECHNOPOLE LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

### 1 ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

#### Turnover

Turnover is made up of amounts due to the company in respect of innovation centre space occupied and services provided during the year

#### Fixed assets

All fixed assets are initially recorded at cost. Buildings which the company owns either freehold or on long leasehold are subject to periodic revaluations, not less than once every five years

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold property	-	25 years
Fixtures & Fittings	-	15%
Equipment	-	15-50%

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax except that deferred tax is not provided on gains arising from the revaluations of fixed assets where there is no binding agreement to dispose of the assets

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on rates and laws enacted or substantially enacted at the balance sheet date

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

#### Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

# PORTSMOUTH TECHNOPOLE LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

### 2 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2008 £	2007 £
Directors' emoluments	10,246	3,817
Amortisation of deferred government grants	(47,141)	(47,143)
Depreciation of owned fixed assets	108,961	105,839
Auditor's fees	3,250	3,000

### 3 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2008 £	2007 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	(832)	832
Total current tax	(832)	832
Deferred tax		
Origination and reversal of timing differences (note 8)		
Capital allowances	(23,344)	22,770
Tax on (loss)/profit on ordinary activities	(24,176)	23,602

### 4 TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures & Fittings £	Equipment £	Total £
<b>COST OR VALUATION</b>				
At 1st April 2007	4,442,199	35,457	77,966	4,555,622
Additions	2,306	5,103	–	7,409
Disposals	–	–	(32,964)	(32,964)
Revaluation	(310,241)	–	–	(310,241)
<b>At 31st March 2008</b>	<b>4,134,264</b>	<b>40,560</b>	<b>45,002</b>	<b>4,219,826</b>
<b>DEPRECIATION</b>				
At 1st April 2007	442,199	21,587	42,218	506,004
Charge for the year	92,065	6,354	10,542	108,961
On disposals	–	–	(26,173)	(26,173)
<b>At 31st March 2008</b>	<b>534,264</b>	<b>27,941</b>	<b>26,587</b>	<b>588,792</b>
<b>NET BOOK VALUE</b>				
<b>At 31st March 2008</b>	<b>3,600,000</b>	<b>12,619</b>	<b>18,415</b>	<b>3,631,034</b>
At 31st March 2007	4,000,000	13,870	35,748	4,049,618

The company owns a leasehold property, Portsmouth Technopole, which it has constructed on land over which it holds a 125 year lease. The company's interest in the building was valued on 31 March 2008 by FPD Savills at £3,600,000. The historical cost of the building is £3,734,580 and historical cost depreciation of £507,035 has been applied.

# PORTSMOUTH TECHNOPOLE LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

### 5 DEBTORS

	2008 £	2007 £
Trade debtors	19,613	11,352
Corporation tax repayable	832	—
Prepayments and accrued income	1,356	13,927
	<u>21,801</u>	<u>25,279</u>

### 6 CREDITORS Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	57,227	92,688
Trade creditors	31,157	13,359
Other creditors including taxation and social security	—	832
Corporation tax	—	227
PAYE and social security	1,415	11,655
VAT	16,283	36,239
Other creditors and accruals	28,670	—
	<u>46,368</u>	<u>48,953</u>
	<u>134,752</u>	<u>155,000</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2008 £	2007 £
Bank loans and overdrafts	<u>57,227</u>	<u>92,688</u>

### 7 CREDITORS Amounts falling due after more than one year

	2008 £	2007 £
Bank loans and overdrafts	<u>1,718,919</u>	<u>1,766,870</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2008 £	2007 £
Bank loans and overdrafts	<u>1,718,919</u>	<u>1,766,870</u>

The above loans and the amounts shown as bank loans and overdrafts falling due within one year are secured by a fixed charge over the company's long leasehold property, a fixed and floating charge over the company's other assets

Included within creditors falling due after more than one year is an amount of £1,435,354 (2007 - £1,401,019) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

# PORTSMOUTH TECHNOPOLE LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

### 8 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2008 £	2007 £
Provision brought forward	62,805	40,035
Profit and loss account movement arising during the year	(23,344)	22,770
Provision carried forward	<u>39,461</u>	<u>62,805</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	39,461	62,805
	<u>39,461</u>	<u>62,805</u>

### 9 DEFERRED GOVERNMENT GRANTS

	2008 £	2007 £
<b>Received and receivable</b>		
At 1st April 2007	1,169,880	1,169,880
At 31st March 2008	<u>1,169,880</u>	<u>1,169,880</u>
<b>Amortisation</b>		
At 1st April 2007	235,198	188,055
Credit to profit and loss account	47,141	47,143
At 31st March 2008	<u>282,339</u>	<u>235,198</u>
Net balance at 31st March 2008	<u>887,541</u>	<u>934,682</u>

### 10 RELATED PARTY TRANSACTIONS

During the year the company paid fees of £5,246 (2007 £3,817) to P Bradstock, and fees of £5,000 (2007 £Nil) to M Wilkinson, both directors of the company

### 11 SHARE CAPITAL

#### Authorised share capital

	2008 £	2007 £
750,000 Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>

#### Allotted, called up and fully paid

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>

# PORTSMOUTH TECHNOPOLE LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

### 12 REVALUATION RESERVE

	2008 £	2007 £
Balance brought forward	688,439	665,044
Revaluation of fixed assets	(310,241)	28,891
Transfer to the Profit and Loss Account on realisation	(5,737)	(5,496)
Balance carried forward	<u>372,461</u>	<u>688,439</u>

### 13 PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance brought forward	(42,885)	(88,747)
(Loss)/profit for the financial year	(59,293)	40,366
Transfer from revaluation reserve	5,737	5,496
Balance carried forward	<u>(96,441)</u>	<u>(42,885)</u>

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008 £	2007 £
(Loss)/Profit for the financial year	(59,293)	40,366
Other net recognised gains and losses	(310,241)	28,891
New ordinary share capital subscribed	—	649,999
Net (reduction)/addition to shareholder's funds	(369,534)	719,256
Opening shareholder's funds	1,295,554	576,298
Closing shareholder's funds	<u>926,020</u>	<u>1,295,554</u>

### 15 ULTIMATE PARENT COMPANY

Portsmouth Technopole (Holdings) Limited, a company registered in England, is regarded by the directors as being the Ultimate Holding Company and Ultimate Controlling Party