

COMPANY REGISTRATION NUMBER 4151164

PORTSMOUTH TECHNOPOLE LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2009



PORTSMOUTH TECHNOPOLE LTD

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2009

The directors present their report and the financial statements of the company for the year ended 31st March 2009.

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 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 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.

PORTSMOUTH TECHNOPOLE LTD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2009

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 that reads "M. Henry". The signature is written in a cursive style with a large, stylized 'M' and a trailing flourish.

M Henry
Company Secretary

Approved by the directors on 21st July 2009

PORTSMOUTH TECHNOPOLE LTD**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF PORTSMOUTH TECHNOPOLE LTD****YEAR ENDED 31ST MARCH 2009**

We have audited the financial statements of Portsmouth Technopole Ltd for the year ended 31st March 2009 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

YEAR ENDED 31ST MARCH 2009

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PORTSMOUTH TECHNOPOLE LTD

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

YEAR ENDED 31ST MARCH 2009

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 2009 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.



MERCER LEWIN LTD
Chartered Accountants
& Registered Auditor

41 Cornmarket Street
Oxford
OX1 3HA

30th July 2009

PORTSMOUTH TECHNOPOLE LTD**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2009**

	Note	2009 £	2008 £
TURNOVER		531,694	534,748
Cost of sales		460,504	460,217
GROSS PROFIT		71,190	74,531
Administrative expenses		43,938	37,370
OPERATING PROFIT	2	27,252	37,161
Interest receivable		599	3,381
Interest payable and similar charges		(105,004)	(124,011)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(77,153)	(83,469)
Tax on loss on ordinary activities	3	(14,227)	(24,176)
LOSS FOR THE FINANCIAL YEAR		<u>(62,926)</u>	<u>(59,293)</u>

PORTSMOUTH TECHNOPOLE LTD**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31ST MARCH 2009**

	2009	2008
	£	£
Loss for the financial year attributable to the shareholder	(62,926)	(59,293)
Unrealised loss on revaluation of certain fixed assets	<u>(885,535)</u>	<u>(310,241)</u>
Total gains and losses recognised since the last annual report	<u>(948,461)</u>	<u>(369,534)</u>

PORTSMOUTH TECHNOPOLE LTD**BALANCE SHEET****31ST MARCH 2009**

	Note	2009 £	£	2008 £	£
FIXED ASSETS					
Tangible assets	4		2,646,551		3,631,034
CURRENT ASSETS					
Debtors	5	27,490		21,801	
Cash at bank and in hand		393		53,858	
		27,883		75,659	
CREDITORS: Amounts falling due within one year	6	128,543		134,752	
NET CURRENT LIABILITIES			(100,660)		(59,093)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,545,891		3,571,941
CREDITORS: Amounts falling due after more than one year	7		1,702,699		1,718,919
PROVISIONS FOR LIABILITIES					
Deferred taxation	8		25,234		39,461
Deferred government grants	9		206,799		887,541
			611,159		926,020
CAPITAL AND RESERVES					
Called-up equity share capital	11		650,000		650,000
Revaluation reserve	12		—		372,461
Other reserves	13		633,600		—
Profit and loss account	14		(672,441)		(96,441)
SHAREHOLDER'S FUNDS			611,159		926,020

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 21st July 2009, and are signed on their behalf by:



MJ Wilkinson

PORTSMOUTH TECHNOPOLE LTD**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31ST MARCH 2009**

	2009 £	2008 £
Loss for the financial year attributable to the shareholder	(62,926)	(59,293)
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Total gains and losses recognised since the last annual report	<u>(948,461)</u>	<u>(369,534)</u>

PORTSMOUTH TECHNOPOLE LTD**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2009****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 2009

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Directors' emoluments	10,577	10,246
Amortisation of deferred government grants	(47,142)	(47,141)
Depreciation of owned fixed assets	51,807	61,819
Auditor's fees	<u>3,180</u>	<u>3,250</u>

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year	-	(832)
Total current tax	-	(832)
Deferred tax:		
Origination and reversal of timing differences (note 8)		
Capital allowances	(14,227)	(23,344)
Tax on loss on ordinary activities	<u>(14,227)</u>	<u>(24,176)</u>

4. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures & Fittings £	Equipment £	Total £
COST OR VALUATION				
At 1st April 2008	4,134,264	40,560	45,002	4,219,826
Revaluation	(885,535)	-	-	(885,535)
At 31st March 2009	<u>3,248,729</u>	<u>40,560</u>	<u>45,002</u>	<u>3,334,291</u>
DEPRECIATION				
At 1st April 2008	534,264	27,941	26,587	588,792
Charge for the year	89,465	3,754	5,729	98,948
At 31st March 2009	<u>623,729</u>	<u>31,695</u>	<u>32,316</u>	<u>687,740</u>
NET BOOK VALUE				
At 31st March 2009	<u>2,625,000</u>	<u>8,865</u>	<u>12,686</u>	<u>2,646,551</u>
At 31st March 2008	<u>3,600,000</u>	<u>12,619</u>	<u>18,415</u>	<u>3,631,034</u>

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 2009 by FPD Savills at £2,625,000. The historical cost of the building is £3,734,580 and historical cost depreciation of £593,376 has been applied.

PORTSMOUTH TECHNOPOLE LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2009

5. DEBTORS

	2009	2008
	£	£
Trade debtors	20,969	19,613
Amounts owed by group undertakings	800	—
Corporation tax repayable	832	832
Prepayments and accrued income	4,889	1,356
	<u>27,490</u>	<u>21,801</u>

6. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	32,147	57,227
Trade creditors	22,955	31,157
Other creditors including taxation and social security:		
PAYE and social security	3,685	1,415
VAT	10,596	16,283
Other creditors and accruals	59,158	28,670
Other creditors	2	—
	<u>73,441</u>	<u>46,368</u>
	<u>128,543</u>	<u>134,752</u>

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

	2009	2008
	£	£
Bank loans and overdrafts	—	57,227

7. CREDITORS: Amounts falling due after more than one year

	2009	2008
	£	£
Bank loans and overdrafts	<u>1,702,699</u>	<u>1,718,919</u>

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

	2009	2008
	£	£
Bank loans and overdrafts	<u>1,702,699</u>	<u>1,718,919</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 £1,702,699 (2008 - £1,435,354) 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 2009

8. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	39,461	62,805
Profit and loss account movement arising during the year	(14,227)	(23,344)
Provision carried forward	<u>25,234</u>	<u>39,461</u>

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

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	25,234	39,461
	<u>25,234</u>	<u>39,461</u>

9. DEFERRED GOVERNMENT GRANTS

	2009 £	2008 £
Received and receivable:		
At 1st April 2008	1,169,880	1,169,880
Transfer to reserves	(633,600)	-
At 31st March 2009	<u>536,280</u>	<u>1,169,880</u>
Amortisation:		
At 1st April 2008	282,339	235,198
Credit to profit and loss account	47,142	47,141
At 31st March 2009	<u>329,481</u>	<u>282,339</u>
Net balance at 31st March 2009	<u>206,799</u>	<u>887,541</u>

The amount of £633,600 shown above relates to the unamortised balance of a grant received in 2001 in connection with the construction of Portsmouth Technopole. The conditions of the grant have been fully satisfied and the grant is no longer repayable to the grantor. The grant will be transferred to the profit and loss account over the remaining life of the assets it originally funded.

10. RELATED PARTY TRANSACTIONS

During the year the company paid fees of £4,649 (2008: £5,246) to P Bradstock, and fees of £5,417 (2008: £5,000) to M Wilkinson, both directors of the company.

11. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
750,000 Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>

PORTSMOUTH TECHNOPOLE LTD**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2009****11. SHARE CAPITAL *(continued)*****Allotted, called up and fully paid:**

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>

12. REVALUATION RESERVE

	2009	2008
	£	£
Balance brought forward	372,461	688,439
Revaluation of fixed assets	(366,724)	(310,241)
Transfer to the Profit and Loss Account on realisation	<u>(5,737)</u>	<u>(5,737)</u>
Balance carried forward	<u>-</u>	<u>372,461</u>

13. OTHER RESERVES

	2009	2008
	£	£
Grants not repayable:		
Transfer from deferred grants	<u>633,600</u>	<u>-</u>

14. PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward	(96,441)	(42,885)
Loss for the financial year	(62,926)	(59,293)
Transfer from revaluation reserve	5,737	5,737
Deficit on property revaluation	<u>(518,811)</u>	<u>-</u>
Balance carried forward	<u>(672,441)</u>	<u>(96,441)</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.

PORTSMOUTH TECHNOPOLE LTD

MANAGEMENT INFORMATION

YEAR ENDED 31ST MARCH 2009

**The following page does not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4.**

PORTSMOUTH TECHNOPOLE LTD**DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2009**

	2009		2008	
	£	£	£	£
TURNOVER		531,694		534,748
COST OF SALES				
Innovation centre running costs	324,465		318,266	
Direct wages	84,232		80,132	
Depreciation of fixtures and fittings	3,753		6,354	
Depreciation of office equipment	5,730		10,542	
Amortisation of capital grants	(47,142)		(47,142)	
Depreciation of leasehold property	89,466		92,065	
		460,504		460,217
GROSS PROFIT		71,190		74,531
OVERHEADS				
Directors salaries	10,577		10,246	
Insurance	250		756	
Printing, stationery and postage	11,388		8,749	
Other office administrative expenses	813		—	
Management charges payable	6,499		6,000	
Legal and professional fees	6,919		2,884	
Auditors remuneration	3,180		3,250	
Bad debts written off	1,209		1,039	
Bank charges	3,103		4,446	
		43,938		37,370
OPERATING PROFIT		27,252		37,161
Bank interest receivable		599		3,381
		27,851		40,542
Bank interest payable		(105,004)		(124,011)
LOSS ON ORDINARY ACTIVITIES		(77,153)		(83,469)