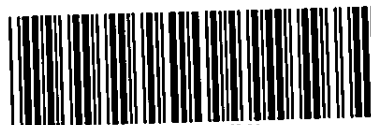


**LIVERPOOL SCIENCE PARK LIMITED**

**ANNUAL REPORT**

**YEAR 31 MARCH 2008**

TUESDAY



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# **LIVERPOOL SCIENCE PARK LIMITED**

## **ANNUAL REPORT**

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# **LIVERPOOL SCIENCE PARK LIMITED**

## **Company information**

### **Registered Office**

Egerton Court  
2 Rodney Street  
Liverpool, L3 5UX

### **Registration Number**

4798049

### **Directors**

M A Brown	
J Caldwell	appointed October 2007
F Clucas	
G Kelleher	resigned July 2008
R D J Oglethorpe	
D L Prior	
D Stewart	appointed July 2008

### **Company Secretary**

D Stewart	resigned July 2008
B McGuiness	appointed July 2008

### **Auditors**

KPMG LLP  
St James' Square  
Manchester, M2 6DS

### **Bankers**

Barclays Bank plc  
7<sup>th</sup> Floor  
1 Marsden Street  
Manchester, M2 1HW

### **Legal Advisors**

Addleshaw Goddard  
100 Barbirolli Square  
Manchester, M2 3AB

## **LIVERPOOL SCIENCE PARK LIMITED**

### **Director's Report for the year ended 31 March 2008**

The Council of Management submit their report together with the Financial Statements for the year ended 31 March 2008.

#### **1. Constitution and Principal Activities**

Liverpool Science Park Limited is a company limited by guarantee and has no share capital. The Members of the company are Liverpool John Moores University, the University of Liverpool, and Liverpool City Council. Members have guaranteed the liabilities of the company to the extent of £1 each. The members interests are Liverpool City Council 51%, Liverpool John Moores University and the University of Liverpool 24.5%.

The principal objectives of the company are

- to promote, deliver, sponsor, co-ordinate and, where appropriate, fund the establishment and continued operation and management of science parks incorporating, without limit, incubator companies developed from or in connection with local higher education institutions
- to encourage and support the development of new and growing businesses in the fields of science and knowledge based technologies.

The company is regulated by its Memorandum and Articles of Association, which, inter alia, provide that it should be governed by a board of Directors, comprising a minimum of 3 directors.

#### **2. Review of activities for the year**

The result for the year was a deficit of £181,334 (2007 £7,707 deficit).

#### **3. Directors**

None of the directors was a member of the company during the year ended 31 March 2008. No director had any material interest in any contract with the company during either year.

#### **4. Taxation Status**

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988 as amended by the Finance Act 1989.

**LIVERPOOL SCIENCE PARK LIMITED**

**Director's Report for the year ended 31 March 2008**  
**(continued)**

5. Auditors

A resolution to re-appoint KPMG LLP, as auditors to the company, will be proposed at the forthcoming Annual General Meeting.

By order of the Board

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

D Stewart  
Director

## **LIVERPOOL SCIENCE PARK LIMITED**

### **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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.

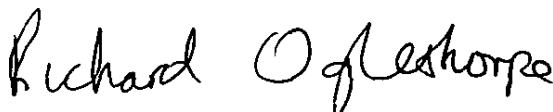
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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**

**R D J Oglethorpe**  
Director



Richard Oglethorpe

## **LIVERPOOL SCIENCE PARK LIMITED**

### **Independent auditors' report to the members of Liverpool Science Park Limited**

We have audited the financial statements of Liverpool Science Park Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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 auditors**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 judgments 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.

**LIVERPOOL SCIENCE PARK LIMITED**

**Report of the Auditors to the**  
**Members of Liverpool Science Park Limited (continued)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements 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.

KPMG LLP

KPMG LLP  
Chartered Accountants and Registered Auditor  
Manchester

30<sup>th</sup> March 2009



# **LIVERPOOL SCIENCE PARK LIMITED**

## **Profit and Loss Account for the year ended 31 March 2008**

	Notes	2008 £	2007 £
<b>Turnover</b>			
Grants income		404,348	565,935
Rental income		317,775	119,535
Other income	2	261,375	162,084
<b>Total Turnover</b>		983,498	847,554
Staff costs	3	(129,079)	(98,898)
Other operating expenses		(769,485)	(582,810)
Depreciation		(226,280)	(142,896)
<b>Operating profit</b>		(141,346)	22,950
Interest payable	4	(39,988)	(30,657)
<b>Loss on ordinary activities before taxation</b>	5	(181,334)	(7,707)
Taxation		-	-
<b>Loss for the year transferred to reserves</b>	12	(181,334)	(7,707)
Reserves brought forward		(14,558)	(6,851)
<b>Reserves carried forward</b>		(195,892)	(14,558)

All operations are continuing. The company was incorporated on the 13<sup>th</sup> June 2003.

The Company has no recognised losses other than the results shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the result on ordinary activities before taxation and the retained result for the year stated above, and their historical cost equivalents.

The notes on pages 9 to 14 form an integral part of these financial statements.

# **LIVERPOOL SCIENCE PARK LIMITED**

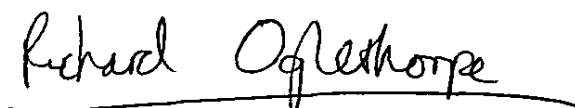
## **Balance Sheet at 31 March 2008**

	Notes	2008 £	2007 £
<b>Fixed Assets</b>			
Tangible assets	7	9,832,514	7,152,050
<b>Current Assets</b>			
Debtors	8	1,216,635	977,006
Cash at bank and in hand		516,582	56,889
		1,733,217	1,033,895
<b>Creditors: Amounts falling due within one year</b>	9	1,929,698	1,049,042
<b>Net current liabilities</b>		(196,481)	(15,147)
<b>Total assets less current liabilities</b>		9,636,033	7,136,903
<b>Creditors: Amounts falling due after more than one year</b>	10	9,831,924	7,151,461
<b>Net liabilities</b>		(195,891)	(14,558)
<b>Represented by:</b>			
<b>Reserves</b>			
Income and expenditure account	12	(195,891)	(14,558)
<b>Total</b>		(195,891)	(14,558)

The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 7 to 14 were approved by Council on 26<sup>TH</sup> March 2009 and were signed on its behalf by:

**R D J Oglethorpe**  
Director



## **LIVERPOOL SCIENCE PARK LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2008**

#### **1. Principal Accounting Policies**

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

##### **Basis of Accounting**

The Financial Statements have been prepared in accordance with applicable accounting standards in the United Kingdom, and under the historical cost convention.

##### **Turnover**

Turnover comprises grant income receivable for the accounting period excluding Value Added Tax, in connection with the operating costs of the company, rental income from tenants in the Liverpool Science Park, and conference income. All income arises wholly in the UK.

Grants receivable in respect of the acquisition and construction of the Liverpool Science Park are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

##### **Fixed assets**

##### **Land and buildings**

Land and buildings in the course of construction are valued at cost. Buildings are depreciated over their expected useful lives of 40 years. Assets in the course of construction are not depreciated. Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.

##### **Equipment**

Equipment, including computers and software, is capitalised at cost and depreciated over 4 years.

##### **Government Grants**

Grants for capital expenditure are credited to a deferred income account and are released to revenue over the expected life of the asset by equal amounts.

#### **2. Other income**

	<b>2008 £</b>	<b>2007 £</b>
Conferences	35,095	17,700
Release from deferred capital grant	226,280	144,384
	<b>261,375</b>	<b>162,084</b>

## **LIVERPOOL SCIENCE PARK LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2008**

#### **3. Staff costs**

	<b>2008 £</b>	<b>2007 £</b>
Salaries and wages	118,198	90,798
Social security costs	10,881	8,100
	<b>129,079</b>	<b>98,898</b>

The average number of persons employed by the company during the year was:

	<b>2008 £</b>	<b>2007 £</b>
Administrative staff	5	5

#### **4. Interest Payable**

	<b>2008 £</b>	<b>2007 £</b>
Interest on loan from Liverpool John Moores University	39,988	30,657

#### **5. Operating profit**

	<b>2008 £</b>	<b>2007 £</b>
Operating profit is stated after charging:		
Auditors remuneration for audit services	2,700	1,985
Auditors remuneration for non audit services	1,169	5,907
Operator costs	362,061	276,012
Legal fees	8,760	12,560

## **LIVERPOOL SCIENCE PARK LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2008**

#### **6. Directors**

None of the directors have received any emoluments during the period for services to the company.

During the period there were no out of pocket expenses reimbursed to the directors.

#### **7. Fixed Assets**

	Land and Buildings £	Assets under constru ction £	Equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2007	7,313,975	-	189,346	7,503,321
Additions	-	2,876,819	29,925	2,906,744
At 31 March 2008	7,313,975	2,876,819	219,271	10,410,065
<b>Depreciation</b>				
At 1 April 2007	284,829	-	66,442	351,271
Charge for the period	171,462	-	54,818	226,280
At 31 March 2008	456,291	-	121,260	577,551
<b>Net Book Value</b>				
At 31 March 2008	6,857,684	2,876,819	98,011	9,832,514
At 31 March 2007	7,029,146	-	122,904	7,152,050

# **LIVERPOOL SCIENCE PARK LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2008**

### **8. Debtors**

	<b>2008 £</b>	<b>2007 £</b>
<b>Amounts Falling Due Within One Year</b>		
Trade debtors	35,704	73,856
Prepayments	12,586	9,150
Associated bodies	670,475	-
Grant income	430,417	877,410
Other debtors	67,453	16,590
	<b>1,216,635</b>	<b>977,006</b>

### **9. Creditors: Amount falling due within one year**

	<b>2008 £</b>	<b>2007 £</b>
Trade Creditors	383,851	35,496
Loan from Liverpool John Moores University	480,757	804,162
Accruals and deferred income	1,065,090	209,383
	<b>1,929,698</b>	<b>1,049,041</b>

Accruals and deferred income include £NIL government grants to be amortised over the useful economic life of the underlying asset.

### **10. Creditors: Amount falling due after one year**

	<b>2008 £</b>	<b>2007 £</b>
Deferred capital grants (note 11)	9,831,924	7,151,460
	<b>9,831,924</b>	<b>7,151,460</b>

# **LIVERPOOL SCIENCE PARK LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2008**

### **11. Deferred capital grants**

	<b>2008 £</b>	<b>2007 £</b>
At 1 August		
Buildings	7,028,646	7,163,102
Equipment	122,814	104,564
	7,151,460	7,267,666
Income		
Buildings	2,876,819	4,795
Adjustment relating to prior year retentions	-	(26,425)
Equipment	29,925	49,808
Total	2,906,744	28,178
Released to income and expenditure		
Buildings	171,462	112,826
Equipment	54,818	31,558
Total	226,280	144,384
At 31 July		
Buildings	9,734,003	7,028,646
Equipment	97,921	122,814
Total	9,831,924	7,151,460

## **LIVERPOOL SCIENCE PARK LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2008**

#### **12. Reserves**

	<b>2008 £</b>	<b>2007 £</b>
<b>At beginning of year</b>	(14,558)	(6,851)
Results for the period	(181,334)	(7,707)
<b>At close of year</b>	(195,892)	(14,558)

#### **13. Loss on ordinary activities**

	<b>2008 £</b>	<b>2007 £</b>
Loss on ordinary activities before taxation: Release of deferred government grants (note 11)	226,280	144,384

#### **14. Members interests**

The Members have the following voting rights

	<b>%</b>
Liverpool John Moores University	24.5
University of Liverpool	24.5
Liverpool City Council	51.0
	100.00

#### **15. Cash Flow Statement**

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a Cashflow Statement on the grounds of its size.

#### **16. Related party disclosures**

There were no transactions during the period between the company and the directors or their close families, or with any entities controlled by them.