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LIVERPOOL SCIENCE PARK LIMITED

ANNUAL REPORT

YEAR 31 MARCH 2010

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LIVERPOOL SCIENCE PARK LIMITED

ANNUAL REPORT

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LIVERPOOL SCIENCE PARK LIMITED

Company information

Registered Office

131 Mount Pleasant
Liverpool
L3 5TF

Registration Number

4798049

Directors

M A Brown
J Caldwell
H F Clucas
J R Flamson
R D J Oglethorpe
D Stewart

Company Secretary

B L McGuinness

Auditors

KPMG LLP
St James's Square
Manchester, M2 6DS

Bankers

Barclays Bank plc
North West Servicing Team
1st Floor, Gadbrook Park
Northwich, CW9 7RB

Legal Advisors

None retained formally

LIVERPOOL SCIENCE PARK LIMITED

Director's Report for the year ended 31 March 2010

The Council of Management submit their report together with the Financial Statements for the year ended 31 March 2010

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, development and management of Liverpool Science Park incorporating, without limit, knowledge based SMEs developed from or in connection with local higher education institutions or from elsewhere in the Knowledge Economy
- 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 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 surplus of £291,573 (2009 £37,481 surplus)

During the period covered by this report the levels of occupancy at Liverpool Science Park ic1 and ic2 continued to rise, generally in line with the projections included in the business plan. By the end of the year occupancy had reached circa 50% overall which is in line with business plan projections for both facilities.

However, the poor covenant strength of a number of tenant companies combined with an adverse economic climate results in the current position remaining fragile. Company failures and contraction remain part of the landscape within which Liverpool Science Park continues to operate. Nevertheless, occupancy remains on target as a consequence of optimised operational and business development planning and execution.

The year to March 2010 saw the completion of Liverpool Science Park ic2, a new 40,000 sq ft facility to accommodate companies expanding from ic1, and for inward investors. The business plan for ic2 anticipates full occupancy being achieved within three years of opening.

Plans for Liverpool Science Park's third facility (ic3) are being developed in order to maintain business critical operational momentum and in anticipation of full occupancy at ic2 being coordinated with the opening of ic3 in Spring 2012.

3 Directors

None of the directors was a member of the company during the year ended 31 March 2010. 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 2010
(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



D Stewart
Director

LIVERPOOL SCIENCE PARK LIMITED

Statement of Directors' Responsibilities

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

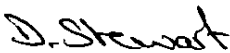
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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



**D Stewart
Director**

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 2010 set out on pages 7 to 14. 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 auditors' 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

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 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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 March 2010 and of its profit for the year 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LIVERPOOL SCIENCE PARK LIMITED

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

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.



Sue Suchoparek (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James Square
Manchester
M2 6DS

Date: 19/8/2010

LIVERPOOL SCIENCE PARK LIMITED

Profit and Loss Account for the year ended 31 March 2010

	Notes	2010 £	Restated 2009 £
Turnover			
Grants income		1,021,555	463,825
Rental income		520,523	505,257
Other income	2	578,429	251,800
Total Turnover		2,120,507	1,220,882
Staff costs	3	(279,933)	(172,489)
Other operating expenses		(1,121,687)	(739,676)
Depreciation		(419,961)	(236,982)
Operating profit		298,926	71,735
Interest payable	4	(7,353)	(34,254)
Profit on ordinary activities before taxation	5	291,573	37,481
Taxation		-	-
Profit for the year transferred to reserves	12	291,573	37,481
Reserves brought forward		(158,411)	(195,892)
Reserves carried forward		133,162	(158,411)

All operations are continuing The company was incorporated on the 13th 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 2009 grants income includes an adjustment of £137,000 to that previously reported The amount had been received by the Company in March 2009 from Liverpool City Council but had not been originally recognised within the 2008/09 financial statements

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

LIVERPOOL SCIENCE PARK LIMITED

Balance Sheet at 31 March 2010

	Notes	2010 £	Restated 2009 £
Fixed Assets			
Tangible assets	7	14,367,311	14,734,544
Current Assets			
Debtors	8	888,149	464,239
Cash at bank and in hand		166,414	82,943
Creditors: Amounts falling due within one year	9	1,054,563	547,182
		1,017,055	772,648
Net current assets (liabilities)		37,508	(225,466)
Total assets less current liabilities		14,404,819	14,509,078
Creditors: Amounts falling due after more than one year	10	14,271,657	14,667,489
Net assets / (liabilities)		133,162	(158,411)
Represented by:			
Reserves			
Profit and Loss Account	12	133,162	(158,411)
Total		133,162	(158,411)

The profit and loss reserve for 2009 includes an increase of £137,000 compared to that previously reported. This amount had been received by the Company in March 2009 from Liverpool City Council but had not been originally recognised within the 2009/09 financial statements.

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 18 08 10 and were signed on its behalf by

D. Stewart

D Stewart
Director

LIVERPOOL SCIENCE PARK LIMITED

Notes to the Financial Statements for the year ended 31 March 2010

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 with a minimum value of £2,000 and fixtures and fittings with a minimum value of £1,000, 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

	2010 £	2009 £
Conferences	2,325	14,818
Release from deferred capital grant	395,832	236,982
Other	180,272	0
	578,429	251,800

LIVERPOOL SCIENCE PARK LIMITED

Notes to the Financial Statements for the year ended 31 March 2010

3. Staff costs

	2010 £	2009 £
Salaries and wages	193,980	130,644
Social security costs	85,953	41,845
	279,933	172,489

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

	2010 £	2009 £
Administrative staff	8	6

4. Interest Payable

	2010 £	2009 £
Interest on loan from Liverpool John Moores University	7,353	34,254

5. Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Auditors remuneration for audit services	6,875	4,639
Auditors remuneration for non audit services	5,610	794
Operator costs	298,628	248,774
Legal fees	7,419	2,950

LIVERPOOL SCIENCE PARK LIMITED

Notes to the Financial Statements for the year ended 31 March 2010

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	Equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2009	15,269,739	279,338	15,549,077
Additions	23,778	33,755	57,533
Disposals	-	(53,570)	(53,570)
 At 31 March 2010	 15,293,517	 259,523	 15,553,040
Depreciation			
At 1 April 2009	622,049	192,484	814,533
Charge for the period	369,135	50,826	419,961
Disposals		(48,765)	(48,765)
 At 31 March 2010	 991,184	 194,545	 1,185,729
Net Book Value			
At 31 March 2010	14,302,333	64,978	14,367,311
 At 31 March 2009	 14,647,690	 86,854	 14,734,544

LIVERPOOL SCIENCE PARK LIMITED

Notes to the Financial Statements for the year ended 31 March 2010

8. Debtors

	2010 £	2009 £
Amounts Falling Due Within One Year		
Trade debtors	109,215	98,577
Prepayments	122,759	24,704
Grant income	621,485	328,394
Other debtors	34,690	12,564
	888,149	464,239

9 Creditors: Amount falling due within one year

	2010 £	2009 £
Trade Creditors	11,688	99,446
Loans from Liverpool J M University and Liverpool City Council	805,021	614,911
Accruals and deferred income	200,346	58,291
	1,017,055	772,648

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

	2010 £	2009 £
Deferred capital grants (note 11)	14,271,657	14,667,489
	14,271,657	14,667,489

LIVERPOOL SCIENCE PARK LIMITED

Notes to the Financial Statements for the year ended 31 March 2010

11 Deferred capital grants

	2010 £	2009 £
At 1 April		
Buildings	14,640,792	9,734,002
Equipment	26,697	97,922
	14,667,489	9,831,924
Income		
Buildings	-	5,072,547
Adjustment relating to prior year retentions	-	-
Equipment	-	-
Total	-	5,072,547
Released to income and expenditure		
Buildings	369,135	165,758
Equipment	26,697	71,224
Total	395,832	236,982
At 31 March		
Buildings	14,271,657	14,640,792
Equipment	-	26,697
Total	14,271,657	14,667,489

LIVERPOOL SCIENCE PARK LIMITED

Notes to the Financial Statements for the year ended 31 March 2010

12 Reserves

	2010 £	2009 £
At beginning of year	(158,411)	(195,892)
Results for the period	291,573	37,481
At close of year	133,162	(158,411)

13 Members interests

The Members have the following voting rights

	%
Liverpool John Moores University	24.5
University of Liverpool	24.5
Liverpool City Council	51.0
	100.00

14 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

15 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