

Company Registration No. 4392361

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**University of Essex Research Park
Limited**

Report and Financial Statements

31 July 2009

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University of Essex Research Park Limited

Report and financial statements 2009

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University of Essex Research Park Limited

Report and financial statements 2009

Officers and professional advisers

Directors

Dr A H Rich
Professor R Massara
A Connolly
A Nightingale
Dr H Perkins

Secretary

Mrs S Anderson

Registered office

University of Essex
Wivenhoe Park
Colchester
Essex
CO4 3SQ

Bankers

Lloyds TSB
27 High Street
Colchester
Essex
CO1 1DU

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
St. Albans

University of Essex Research Park Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2009.

Review of business and future developments

The principal activity of the company in the year was to carry on the business of a property and investment development company, by acquiring and managing buildings on land designated as a research park on behalf of the University of Essex.

There is both outline planning permission for the research park and detailed permission for the student residences development. A section 106 agreement has been completed. The sale of part of the land for residential development has been deferred due to the current downturn in the housing market.

Following a progress review, the research park has been redesignated as the Knowledge Gateway and in late July, the company began to incur property management service fees in relation to the development of site infrastructure work which is scheduled to start in the spring of 2010.

The company is involved in a partnership with Carisbrooke Research Parks Limited (CPRL). An initial partnership agreement was signed on 15 July 2002 and updated agreement on 17 April 2009 (note 7 refers).

Going concern

The current economic conditions are likely to impact on the speed at which development of the Knowledge Gateway proceeds. Notwithstanding the deferral of the land sale, plans are well in hand for the development by the University of the necessary infrastructure. The University, as the company's parent entity and ultimate controlling party and aware that the company will continue to incur property management service fees during the current year, has issued a letter of financial support to ensure that the company will be able to meet its liabilities as they fall due. There are no bank loans and there is sufficient cash to cover short-term liabilities. Accordingly, the directors believe that the business can continue to operate successfully for the foreseeable future.

Dividends

The loss for the year amounted to £25,438 (2008: profit £127). The directors have not recommended a dividend in the current or prior year.

Directors

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

Dr A H Rich
Professor R Massara
A Connolly
A Nightingale
Dr H Perkins

EBR Exemption

The Company is not required to produce an enhanced business review as it is exempt from the requirement under s415 (2) of the Companies Act 2006.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

University of Essex Research Park Limited

Directors' report (continued)

Provision of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Registered office:

Wivenhoe Park

Colchester

Essex

CO4 3SQ

Approved by the Board of Directors
and signed on behalf of the Board



Mrs S Anderson
Secretary

10th December 2009

University of Essex Research Park Limited

Statement of 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). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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.

Independent auditors' report to the members of University of Essex Research Park Limited

We have audited the financial statements of University of Essex Research Park Limited for the year ended 31 July 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 July 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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

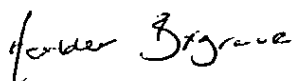
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of University of Essex Research 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.
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Heather Bygrave (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
St Albans, United Kingdom

17 December 2009

University of Essex Research Park Limited

Profit and loss account Year ended 31 July 2009

	Note	2009 £	2008 £
Cost of sales		(24,684)	-
Gross profit		(24,684)	-
Administrative expenses		(1,381)	(1,581)
Operating loss	2	(26,065)	(1,581)
Bank interest receivable		627	1,708
(Loss)/Profit on ordinary activities before taxation		(25,438)	127
Tax on (loss)/profit on ordinary activities	11	-	-
(Loss)/Profit for the financial year		(25,438)	127

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

University of Essex Research Park Limited

Balance sheet 31 July 2009

	Note	2009 £	2008 £
Current assets			
Debtors	5	2	4
Cash at bank		50,662	53,084
		<u>50,664</u>	<u>53,088</u>
Creditors: amounts falling due within one year	6	(26,033)	(3,019)
Net current assets		<u>24,631</u>	<u>50,069</u>
Total assets less current liabilities		<u>24,631</u>	<u>50,069</u>
Capital and reserves			
Called up share capital	8	50,002	50,002
Profit and loss account	9	(25,371)	67
Shareholders' funds	10	<u>24,631</u>	<u>50,069</u>

The financial statements of the University of Essex Research Park Limited, registered number 4392361, were approved by the Board of Directors on 10th December 2009.

Signed on behalf of the Board of Directors

Dr A H Rich
Director



University of Essex Research Park Limited

Notes to the accounts

Year ended 31 July 2009

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

Basis of preparation and going concern

The financial statements are prepared under the historical cost convention.

The current economic conditions are likely to impact on the speed at which development of the Knowledge Gateway proceeds. Notwithstanding the deferral of the land sale, plans are well in hand for the development by the University of the necessary infrastructure. Completion of this work will provide a sound basis for development once the economic situation improves, and will ensure that the land earmarked for sale remains attractive to potential developers.

The loss of £25,438 reflects a payment to Carisbrooke Research Parks Ltd for property management services in relation to the infrastructure work. At the year end, the company held cash balances of £50,662. Creditors amounted to £26,034. The University, as the company's parent entity and ultimate controlling party, has issued a letter of financial support to ensure that the company will be able to meet its liabilities as they fall due.

There are no bank loans and there is sufficient cash to cover short-term liabilities in the short term. Accordingly, the directors believe that the business can continue to operate successfully for the foreseeable future.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that on the grounds that the company is wholly owned and its parent undertaking publishes a consolidated cash flow statement.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

University of Essex Research Park Limited

Notes to the accounts (continued) Year ended 31 July 2009

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Operating loss

	2009 £	2008 £
Operating loss is stated after charging:		
Auditors' remuneration – fees payable to the company's auditors for the audit of the company's annual accounts	1,350	1,551

3. Information regarding directors and employees

No salaries or wages have been paid to the directors, during the current or prior year. The company has no employees.

4. Investments

University of Essex Research Park Limited has a 50% interest in The Carisbrooke Essex Partnership, a partnership governed by English Law. The Carisbrooke Essex Partnership's head office is Wivenhoe Park, Colchester, Essex.

The results and financial position of The Carisbrooke Essex Partnership are included on a consolidated basis in the financial statements of the University of Essex.

5. Debtors

	2009 £	2008 £
Other debtors	2	4

6. Creditors: amounts falling due within one year

	2009 £	2008 £
Accruals and deferred income	26,033	3,019
	<u>26,033</u>	<u>3,019</u>

7. Related Party Transactions

University of Essex Research Park Limited (UERPL) is wholly owned by University of Essex Research Park Holdings Limited, which itself is wholly owned and controlled by the University of Essex. The company has taken advantage of the exemption conferred by FRS 8 from disclosing related party transactions on the basis that the consolidated financial statements in which the company is included are publically available.

University of Essex Research Park Limited

Notes to the accounts (continued) Year ended 31 July 2009

The company is involved in a partnership with Carisbrooke Research Parks Limited (CPRL). An initial partnership agreement was signed on 15 July 2002 and updated agreement on 17 April 2009. Under the terms of the 2009 agreement, profits of up to £17m are to be shared 25% CPRL and 75% UERPL. Over £17m, profits are to be shared 35% and 65% respectively. Losses of the partnership are to be borne equally between CPRL and UERPL.

Part of the land held for the Knowledge Gateway is earmarked for residential development. Once the sale has been achieved, all expenses paid and all financial obligations under the s106 agreement discharged, 25% of the remaining proceeds of sale are payable to CPRL with the remainder being retained by the University of Essex.

The University of Essex undertook to provide a loan facility to enable the partnership to undertake various works in connection with the design and construction of the site infrastructure. The maximum amount of the loan was £900,000. Of this amount £750,000 was advanced to be used for the design of the site infrastructure at the University of Essex and £150,000 was to be used to cover rolled-up interest pursuant to the interest terms set out in the agreement. Following the failure to sell part of the land for housing, the University resolved to cancel as at 31 July 2008 both the amount of loan already advanced (£750,000) and the rolled up interest (£34,837).

8. Share capital

	2009 £	2008 £
Authorised share capital:		
100,000 ordinary shares of £1 each	100,000	100,000
Called up, allotted and fully paid:		
50,002 ordinary shares of £1 each	50,002	50,002

9. Profit and loss account

	2009 £	2008 £
Balance brought forward	67	(60)
(Loss)/Profit for the financial year	(25,438)	127
Balance carried forward	(25,371)	67

10. Reconciliation of movements in shareholders funds

	2009 £	2008 £
(Loss)/Profit for the financial year	(25,438)	127
Opening shareholders' funds	50,069	49,942
Closing shareholders' funds	24,631	50,069

University of Essex Research Park Limited

Notes to the accounts (continued) Year ended 31 July 2009

11. Tax on ordinary activities

	2009 £	2008 £
(Loss)/Profit on ordinary activities before taxation	(25,438)	127
(Loss)/Profit on ordinary activities by rate of tax	(4,833)	24
Share of partnership interest	(123)	(12,503)
Utilisation of tax losses and group relief	4,956	12,479
Total current tax	-	-

12. Ultimate parent company

In the opinion of the directors, the company's ultimate parent entity and ultimate controlling party is the University of Essex, a higher education institution in the United Kingdom. The parent undertaking of the largest and smallest group, which includes the company and for which group accounts are prepared, is the University of Essex. Copies of the group financial statements are available from the Director of Finance, University of Essex, Wivenhoe Park, Colchester, Essex CO4 3SQ.