

**Company Registration No. 4392361**

**University of Essex Knowledge Gateway**  
**Limited**  
**(formerly University of Essex Research**  
**Park Ltd)**

**Report and Financial Statements**

**31 July 2010**



**University of Essex Knowledge Gateway Limited  
(formerly University of Essex Research Park Ltd.)**

**Report and financial statements 2010**

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**University of Essex Knowledge Gateway Limited  
(formerly University of Essex Research Park Ltd.)**

**Report and financial statements 2010**

**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 Statutory Auditors  
St Albans

# **University of Essex Knowledge Gateway Limited (formerly University of Essex Research Park Ltd.)**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 July 2010

### **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

In 2009, the research park was re-designated as the Knowledge Gateway, and on 29 June 2010 the company changed its name from University of Essex Research Park Ltd to reflect this re-designation. In May 2009 the Council of the University of Essex approved expenditure of up to £7.9m to facilitate infrastructure work as a precursor to further development of the site and the contract for this work was let in May 2010. There is both outline planning permission for the Research Park and detailed permission for the student residences development. The sale of part of the land for residential development has been deferred due to the current downturn in the housing market.

In July 2009, the company began to incur property management service fees in relation to the development of the site infrastructure work. To cover these payments, the University has loaned the company £58,200 at a rate of 2.5% over the base rate as quoted by the Bank of England.

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.

### **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, are 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 the University will provide 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 £72,054 (2009 loss £25,438). 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

### **Small Companies Exemption**

The Company is not required to produce an enhanced business review as it is exempt from the requirement under s415A 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 Knowledge Gateway Limited  
(formerly University of Essex Research Park Ltd.)**

**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

17<sup>th</sup> December 2010

## **University of Essex Knowledge Gateway Limited (formerly University of Essex Research Park Ltd.)**

### **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, 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 Knowledge Gateway Limited (formerly University of Essex Research Park Ltd.)**

We have audited the financial statements of University of Essex Knowledge Gateway Limited for the year ended 31 July 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 chapter 3 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, 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 2010 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**

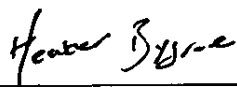
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of  
University of Essex Knowledge Gateway Limited  
(formerly University of Essex Research Park Ltd.)  
(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



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

17 DECEMBER 2010

**University of Essex Knowledge Gateway Limited**  
**(formerly University of Essex Research Park Ltd.)**

**Profit and loss account**  
**Year ended 31 July 2010**

	Note	2010 £	2009 £
Administrative expenses		(76,184)	(26,065)
<b>Operating loss</b>	2	(76,184)	(26,065)
Bank interest receivable		12	627
<b>(Loss) on ordinary activities before taxation</b>		(76,172)	(25,438)
Tax on loss on ordinary activities	12	-	-
<b>(Loss) for the financial year</b>	10	(76,172)	(25,438)

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

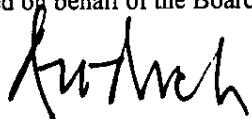
**University of Essex Knowledge Gateway Limited**  
**(formerly University of Essex Research Park Ltd.)**

**Balance sheet**  
**31 July 2010**

	Note	2010 £	2009 £
<b>Current assets</b>			
Debtors	5	11,918	2
Cash at bank		3,988	50,662
		<u>15,906</u>	<u>50,664</u>
<b>Creditors amounts falling due within one year</b>	6	<u>(8,633)</u>	<u>(26,033)</u>
<b>Total assets less current liabilities</b>		7,273	24,631
<b>Creditors amounts falling due after more than one year</b>	7	<u>(58,815)</u>	<u>-</u>
<b>Net (Liabilities)/ Assets</b>		<u>(51,542)</u>	<u>24,631</u>
<b>Capital and reserves</b>			
Called up share capital	9	50,002	50,002
Profit and loss account	10	<u>(101,544)</u>	<u>(25,371)</u>
<b>Shareholders' (deficit)/funds</b>	11	<u>(51,542)</u>	<u>24,631</u>

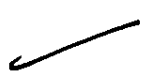
The financial statements of the University of Essex Knowledge Gateway Limited, registered number 4392361, were approved by the Board of Directors on *15<sup>th</sup> December* 2010

Signed on behalf of the Board of Directors



Dr A H Rich

Director



# **University of Essex Knowledge Gateway Limited (formerly University of Essex Research Park Ltd.)**

## **Notes to the accounts (continued) Year ended 31 July 2010**

### **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 £72,054 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 £3,988. Creditors amounted to £1,406. 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. To cover these payments, the University has loaned the company £58,200 at a rate of 2.5% over the base rate as quoted by the Bank of England.

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**

The financial statements contain information about University of Essex Knowledge Gateway Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent undertaking, the University of Essex.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 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.

**University of Essex Knowledge Gateway Limited**  
**(formerly University of Essex Research Park Ltd.)**

**Notes to the accounts (continued)**  
**Year ended 31 July 2010**

**1. Accounting policies (continued)**

**Taxation**

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 underlying timing differences can be deducted

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 by the balance sheet date

**2. Operating loss**

	2010 £	2009 £
<b>Operating loss is stated after charging</b>		
Auditors' remuneration – fees payable to the company's auditors for the audit of the company's annual accounts	1,406	1,350

**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 Knowledge Gateway 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**

	2010 £	2009 £
Other debtors	11,918	2

**University of Essex Knowledge Gateway Limited**  
**(formerly University of Essex Research Park Ltd.)**

**Notes to the accounts (continued)**  
**Year ended 31 July 2010**

**6 Creditors: amounts falling due within one year**

	2010 £	2009 £
Accruals and deferred income	8,633	26,033
	<u>1,406</u>	<u>26,033</u>

**7. Creditors: amounts falling due after more than one year**

	2010 £	2009 £
Amounts owed to group undertakings	58,815	-
	<u>58,815</u>	<u>-</u>

During the year the University of Essex loaned the company £58,200 at a rate of 2.5% over the base rate as quoted by the Bank of England

**8. Related Party Transactions**

University of Essex Knowledge Gateway Limited (UEKGL) is wholly owned by University of Essex Knowledge Gateway 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.

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% UEKGL. Over £17m, profits are to be shared 35% and 65% respectively. Losses of the partnership are to be borne equally between CPRL and UEKGL.

During the year the company paid £71,554 (2009: £24,684) property management fees to CPRL, there have been no other transactions with CPRL.

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 discharged, 25% of the remaining proceeds of sale are payable to CPRL with the remainder being retained by the University of Essex.

In July 2009, the company began to incur property management service fees in relation to the development of the site infrastructure work. To cover these payments, the University has loaned the company £58,200 at a rate of 2.5% over the base rate as quoted by the Bank of England.

**University of Essex Knowledge Gateway Limited**  
**(formerly University of Essex Research Park Ltd.)**

**Notes to the accounts (continued)**  
**Year ended 31 July 2010**

**9. Share capital**

	2010 £	2009 £
<b>Authorised share capital:</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Called up, allotted and fully paid:</b>		
50,002 ordinary shares of £1 each	50,002	50,002

**10. Profit and loss account**

	2010 £	2009 £
Balance brought forward	(25,371)	67
(Loss) for the financial year	(72,054)	(25,438)
Balance carried forward	(97,425)	(25,371)

**11. Reconciliation of movements in shareholders funds**

	2010 £	2009 £
(Loss) for the financial year	(76,172)	(25,438)
Opening shareholders' funds	24,631	50,069
Closing shareholders' (deficit)/funds	(51,541)	24,631

**12. Tax on ordinary activities**

	2010 £	2009 £
(Loss) on ordinary activities before taxation	(76,172)	(25,438)
(Loss) on ordinary activities by rate of tax	(21,328)	(4,833)
Share of partnership interest	(3,997)	(123)
Unutilised tax losses	25,325	4,956
Total current tax	-	-

**University of Essex Knowledge Gateway Limited  
(formerly University of Essex Research Park Ltd.)**

**Notes to the accounts (continued)  
Year ended 31 July 2010**

**13. 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.