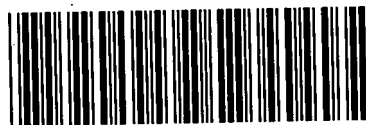

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

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UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

COMPANY INFORMATION

Directors	Mr Andrew Keeble Mr Owen Bryn Morris Prof Anthony Forster Mr William Hornby Gore Mr Simon Neale (resigned 15 January 2016) Mr Philip Tolhurst Mrs Jane Hamilton (appointed 15 January 2016)
Company secretary	Mr Marc Albano
Registered number	04392361
Registered office	University of Essex Wivenhoe Park Colchester Essex CO4 3SQ
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL
Bankers	Lloyds TSB 27 High Street Colchester Essex CO1 1DU

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

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UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2016

The directors present their report and the financial statements for the year ended 31 July 2016.

Directors' responsibilities statement

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 (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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, subject to any material departures disclosed and explained in the financial statements;
- 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.

Results and dividends

The loss for the year, after taxation, amounted to £160,999 (2015 - loss £130,986).

The directors are pleased with the progress that the company has made during the year. Its main operation, Parkside Office Village, is now 85% occupied by 12 small to medium sized enterprises and 2 Games Hubs, covering a range of industries that can exchange knowledge and resources with University of Essex.

Directors

The directors who served during the year were:

Mr Andrew Keeble
Mr Owen Bryn Morris
Prof Anthony Forster
Mr William Hornby Gore
Mr Simon Neale (resigned 15 January 2016)
Mr Philip Tolhurst
Mrs Jane Hamilton (appointed 15 January 2016)

Future developments

A further development phase on the Knowledge Gateway site, totalling 5,500 sq ft and consisting of 2 more office units, is due to be completed by September 16. Potential for additional development is being investigated.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

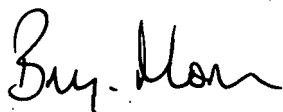
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr Owen Bryn Morris
Director

Date: 20.12.2016

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

We have audited the financial statements of University of Essex Knowledge Gateway Limited for the year ended 31 July 2016, set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 Auditor

As explained more fully in the Directors' Responsibilities Statement on page 1, 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, and express an opinion on, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its loss 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 those financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNIVERSITY OF ESSEX
KNOWLEDGE GATEWAY 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Fleur Nieboer (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

6 January 2017

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £	2015 £
Turnover	4	112,001	13,137
Administrative expenses		(295,554)	(169,373)
Operating loss	5	(183,553)	(156,236)
Interest receivable and similar income	7	22,554	25,250
Loss before tax		(160,999)	(130,986)
Loss for the year		(160,999)	(130,986)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 20 form part of these financial statements.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED
REGISTERED NUMBER: 04392361

BALANCE SHEET
AS AT 31 JULY 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	8		4,615,016		3,157,870
			<u>4,615,016</u>		<u>3,157,870</u>
Current assets					
Debtors: amounts falling due within one year	9	3,169,871		3,742,556	
Cash at bank and in hand	10	38,289		345,583	
		<u>3,208,160</u>		<u>4,088,139</u>	
Creditors: amounts falling due within one year	11	(1,783,305)		(275,139)	
Net current assets			<u>1,424,855</u>		<u>3,813,000</u>
Total assets less current liabilities			<u>6,039,871</u>		<u>6,970,870</u>
Creditors: amounts falling due after more than one year	12		(1,630,000)		(2,400,000)
Net assets			<u><u>4,409,871</u></u>		<u><u>4,570,870</u></u>
Capital and reserves					
Called up share capital	15		5,171,002		5,171,002
Profit and loss account	16		(761,131)		(600,132)
			<u><u>4,409,871</u></u>		<u><u>4,570,870</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Mr Owen Bryn Morris

Director

Date: 20. 12. 2016

The notes on pages 8 to 20 form part of these financial statements.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2015	5,171,002	(600,132)	4,570,870
Comprehensive income for the year			
Loss for the year	-	(160,999)	(160,999)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(160,999)	(160,999)
At 31 July 2016	5,171,002	(761,131)	4,409,871

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2015**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2014	5,171,002	(469,146)	4,701,856
Comprehensive income for the year			
Loss for the year	-	(130,986)	(130,986)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(130,986)	(130,986)
At 31 July 2015	5,171,002	(600,132)	4,570,870

The notes on pages 8 to 20 form part of these financial statements.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. General information

The principal activity of the company in the year under review was the operation of a research and technology park.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is University of Essex, Wivenhoe Park, Colchester, Essex, CO4 3SQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The financial statements are presented in pound sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In the preparation of the financial statements the company has taken advantage of the disclosure exemptions conferred by section 1.12 of FRS 102.

The following principal accounting policies have been applied:

2.2 Going concern

University of Essex, as the company's ultimate parent entity and 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. As such, the directors have assurance that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
L/Term Leasehold Property	-	2%
Fixtures and fittings	-	5%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Where any asset is depreciated, no charge is made to the Profit and Loss account in the year of acquisition. However, in the year of disposal, a full year charge is made regardless of the timing of the disposal.

No depreciation is charged on assets in the course of construction.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

2. Accounting policies (continued)

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary. See note 8 for the carrying amount of the property, plant and equipment, and note 2.4 for the useful economic lives for each class of asset.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtor and historical experience.

The company has significant investments in property, plant and equipment. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if the conditions for impairment are no longer present. Evaluating whether an asset is impaired or if impairment should be reversed requires a high degree of judgement and may to a large extent depend upon the selection of key assumptions about the future.

Cashflow and profit and loss forecasts for the company's operations are reviewed on a regular basis by the directors to allow them to assess whether the freehold property is being held at an appropriate value. The company has elected to use the previous UK GAAP valuation of land as the deemed cost on transition to FRS 102.

4. Turnover

The whole of the turnover is attributable to rent receivable from tenants.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	53,996	50,608
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3,114	3,000

The audit fee for the year ended 31 July 2016 excluding VAT was £3,050.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

7. Interest receivable

	2016 £	2015 £
Interest receivable from group companies	21,044	24,084
Other interest receivable	1,510	1,166
	<u>22,554</u>	<u>25,250</u>

8. Tangible fixed assets

	Freehold property £	L/Term Leasehold Property £	Fixtures and fittings £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 August 2015	2,563,059	375,000	-	270,419	3,208,478
Additions	136,724	-	85,245	1,289,173	1,511,142
At 31 July 2016	<u>2,699,783</u>	<u>375,000</u>	<u>85,245</u>	<u>1,559,592</u>	<u>4,719,620</u>
Depreciation					
At 1 August 2015	50,608	-	-	-	50,608
Charge for period on owned assets	53,996	-	-	-	53,996
At 31 July 2016	<u>104,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,604</u>
Net book value					
At 31 July 2016	<u>2,595,179</u>	<u>375,000</u>	<u>85,245</u>	<u>1,559,592</u>	<u>4,615,016</u>
At 31 July 2015	<u>2,512,451</u>	<u>375,000</u>	<u>-</u>	<u>270,419</u>	<u>3,157,870</u>

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

8. Tangible fixed assets (continued)

Long term leasehold property represents land of £375,000 which is not depreciated. This land was leased to the company by its parent company, University of Essex Knowledge Gateway Holdings Limited, on 1 December 2014, for a contractual term of 124 years to allow it to develop the Knowledge Gateway site.

9. Debtors

	2016 £	2015 £
Trade debtors	30,206	10,410
Amounts owed by group undertakings	2,952,675	3,699,525
Other debtors	160,393	-
Prepayments and accrued income	26,597	32,621
	<u>3,169,871</u>	<u>3,742,556</u>

Amounts owed by group undertakings represent funds which were deposited with University of Essex.

10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	38,289	345,583
	<u>38,289</u>	<u>345,583</u>

Cash and cash equivalents includes an amount of £32,365 (2014-15: £30,240) relating to a security rent deposit received from a tenant. The cash is held within a separate designated client bank account. A corresponding amount is included within other creditors.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other loans	1,080,000	-
Trade creditors	65,650	58,823
Amounts owed to group undertakings	232	25,023
Taxation and social security	-	1,208
Other creditors	283,375	31,185
Accruals and deferred income	354,048	158,900
	<u>1,783,305</u>	<u>275,139</u>

Other creditors includes a security rent deposit received from a tenant of £32,365 (2014-15: £30,240) and a corresponding amount is included within cash and cash equivalents.

12. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other loans	1,630,000	2,400,000
	<u>1,630,000</u>	<u>2,400,000</u>

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

13. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Other loans	1,080,000	-
	<u>1,080,000</u>	<u>-</u>
Amounts falling due 1-2 years		
Other loans	1,630,000	2,400,000
	<u>1,630,000</u>	<u>2,400,000</u>
	<u>2,710,000</u>	<u>2,400,000</u>

Other loans represent funds received from Essex County Council.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

14. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	38,289	345,583
Financial assets that are debt instruments measured at amortised cost	3,159,803	3,742,555
	<u>3,198,092</u>	<u>4,088,138</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,393,993)	(2,656,113)
	<u>(3,393,993)</u>	<u>(2,656,113)</u>

Financial assets measured at fair value through profit or loss comprise the company's cash balances.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and other loans.

15. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
5,171,002 Ordinary Shares shares of £1 each	<u>5,171,002</u>	<u>5,171,002</u>

16. Reserves

Profit and loss account

The profit and loss account includes all current and prior period recognised and retained gains and losses.

17. Related party transactions

University of Essex Knowledge Gateway Limited is wholly owned by University of Essex Knowledge Gateway Holdings Limited, which itself is wholly owned and controlled by University of Essex. The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 from disclosing related party transactions.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

18. Controlling party

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 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.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

19. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2014. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	FRS 102 (as restated) 1 August 2014 £	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	FRS 102 (as restated) 31 July 2015 £
Fixed assets	2,530,376	-	2,530,376	3,157,870	-	3,157,870
Current assets	4,637,834	-	4,637,834	4,088,139	-	4,088,139
Creditors: amounts falling due within one year	(66,354)	-	(66,354)	(275,139)	-	(275,139)
Net current assets	4,571,480	-	4,571,480	3,813,000	-	3,813,000
Total assets less current liabilities	7,101,856	-	7,101,856	6,970,870	-	6,970,870
Creditors: amounts falling due after more than one year	(2,400,000)	-	(2,400,000)	(2,400,000)	-	(2,400,000)
Net assets	4,701,856	-	4,701,856	4,570,870	-	4,570,870
Capital and reserves	4,701,856	-	4,701,856	4,570,870	-	4,570,870

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

19. First time adoption of FRS 102 (continued)

	<i>As previously stated 31 July 2015 £</i>	<i>Effect of transition 31 July 2015 £</i>	FRS 102 (as restated) 31 July 2015 £
Turnover	13,137	-	13,137
Administrative expenses	(169,373)	-	(169,373)
	<hr/>	<hr/>	<hr/>
Operating profit	(156,236)	-	(156,236)
Interest receivable and similar income	25,250	-	25,250
	<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year	(130,986)	-	(130,986)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Explanation of changes to previously reported profit and equity:

- 1 There have been no changes to previously reported profit and equity as a result of the transition to FRS 102.