
UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

WEDNESDAY



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UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

COMPANY INFORMATION

Directors	Mr Andrew Keeble Mr Owen Bryn Morris Professor Anthony Forster Mr William Hornby Gore Mr Philip Tolhurst Mrs Jane Hamilton Ms Vanessa Plain (appointed 8 February 2017)
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 2017

The directors present their report and the financial statements for the year ended 31 July 2017.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements 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 to 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 profit for the year, after taxation, amounted to £1,910,911 (2016 - loss £160,999).

The directors are pleased with the continued growth of the Parkside Development. Phase 1 and 1a are now home to 22 businesses covering a range of industries that can exchange knowledge and resources with the University of Essex. The development is also providing employment and entrepreneurial opportunities for Essex students.

The profit for the year includes £2m received from Essex County Council as a grant for the purpose of building the new Innovation Centre.

Future Developments

A further development, Phase 2, of the Knowledge Gateway commences in September 2017 which involves the construction of 7 office units with a total area of 1,419 sq. m gross, split over 2 blocks, and 53 car parking spaces. Feasibility work is underway for the construction of Phase 3 to continue the momentum of the current development.

Work has commenced on the construction of the Innovation Centre which will be completed late 2018.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

Directors

The directors who served during the year were:

Mr Andrew Keeble
Mr Owen Bryn Morris
Professor Anthony Forster
Mr William Hornby Gore
Mr Philip Tolhurst
Mrs Jane Hamilton
Ms Vanessa Plain (appointed 8 February 2017)

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.

Auditor

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 January 2018 and signed on its behalf.



Mr Owen Bryn Morris
Director

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

Opinion

We have audited the financial statements of University of Essex Knowledge Gateway Limited ("the company") for the year ended 31 July 2017, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.

Directors' responsibilities

As explained more fully in their statement set out 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 15 Canada Square
 Canary Wharf
 London
 E14 5GL
 26 January 2018

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2017**

	Note	2017 £	2016 £
Turnover	4	2,245,064	112,001
Gross profit		<u>2,245,064</u>	<u>112,001</u>
Administrative expenses		(346,609)	(295,554)
Other operating income	5	694	-
Operating profit/(loss)	6	<u>1,899,149</u>	<u>(183,553)</u>
Interest receivable and similar income	8	11,842	22,554
Profit/(loss) before tax		<u>1,910,991</u>	<u>(160,999)</u>
Profit/(loss) for the financial year		<u><u>1,910,991</u></u>	<u><u>(160,999)</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 9 to 18 form part of these financial statements.

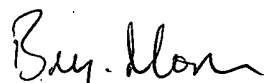
UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED
REGISTERED NUMBER: 04392361

BALANCE SHEET
AS AT 31 JULY 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	7,099,757	4,615,016
		<u>7,099,757</u>	<u>4,615,016</u>
Current assets			
Debtors: amounts falling due within one year	10	913,193	3,169,871
Cash at bank and in hand	11	386,676	38,289
		<u>1,299,869</u>	<u>3,208,160</u>
Creditors: amounts falling due within one year	12	(2,078,764)	(1,783,305)
Net current (liabilities)/assets		<u>(778,895)</u>	<u>1,424,855</u>
Total assets less current liabilities		<u>6,320,862</u>	<u>6,039,871</u>
Creditors: amounts falling due after more than one year	13	-	(1,630,000)
Net assets		<u><u>6,320,862</u></u>	<u><u>4,409,871</u></u>
Capital and reserves			
Called up share capital		5,171,002	5,171,002
Profit and loss account		1,149,860	(761,131)
		<u><u>6,320,862</u></u>	<u><u>4,409,871</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: **22 January 2018**

The notes on pages 9 to 18 form part of these financial statements.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2016	5,171,002	(761,131)	4,409,871
Comprehensive income for the year			
Profit for the year	-	1,910,991	1,910,991
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,910,991	1,910,991
Total transactions with owners	-	-	-
At 31 July 2017	5,171,002	1,149,860	6,320,862

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)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(160,999)	(160,999)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2016	5,171,002	(761,131)	4,409,871
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 18 form part of these financial statements.

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

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 2017

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 2017**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

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

Turnover includes a grant of £2m received from Essex County Council towards the construction of the Innovation Centre. The remainder of the turnover is attributable to rent receivable from tenants.

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Insurance claims receivable	694	-
	<u>694</u>	<u>-</u>

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	58,257	53,996
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3,153	3,114

The audit fee for the year ended 31 July 2017 excluding VAT was £3,120.

7. Employees

The company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

8. Interest receivable

	2017 £	2016 £
Interest receivable from group companies	11,226	21,044
Other interest receivable	616	1,510
	<u>11,842</u>	<u>22,554</u>

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

9. 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 2016	2,699,783	375,000	85,245	1,559,592	4,719,620
Additions	1,195,429	-	-	1,347,569	2,542,998
At 31 July 2017	3,895,212	375,000	85,245	2,907,161	7,262,618
Depreciation					
At 1 August 2016	104,604	-	-	-	104,604
Charge for period on owned assets	53,996	-	4,261	-	58,257
At 31 July 2017	158,600	-	4,261	-	162,861
Net book value					
At 31 July 2017	3,736,612	375,000	80,984	2,907,161	7,099,757
At 31 July 2016	2,595,179	375,000	85,245	1,559,592	4,615,016

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.

10. Debtors

	2017 £	2016 £
Trade debtors	90,561	30,206
Amounts owed by group undertakings	711,439	2,952,675
Other debtors	-	160,393
Prepayments and accrued income	111,193	26,597
	<u>913,193</u>	<u>3,169,871</u>

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

10. Debtors (continued)

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

11. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	386,676	38,289
	<u>386,676</u>	<u>38,289</u>

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	1,630,000	1,080,000
Trade creditors	92,485	65,650
Amounts owed to group undertakings	-	232
Other creditors	1,010	283,375
Accruals and deferred income	355,269	354,048
	<u>2,078,764</u>	<u>1,783,305</u>

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

	2017 £	2016 £
Other loans	-	1,630,000
	<u>-</u>	<u>1,630,000</u>

UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

14. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Other loans	1,630,000	1,080,000
	<u>1,630,000</u>	<u>1,080,000</u>
Amounts falling due 1-2 years		
Other loans	-	1,630,000
	<u>-</u>	<u>1,630,000</u>
	<u>1,630,000</u>	<u>2,710,000</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 2017

15. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	386,676	38,289
Financial assets that are debt instruments measured at amortised cost	877,596	3,159,803
	<u>1,264,272</u>	<u>3,198,092</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,078,764)	(3,393,993)
	<u>(2,078,764)</u>	<u>(3,393,993)</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.

16. 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.

17. Post balance sheet events

On 22nd September 2017 it was agreed that the company will receive a £2m grant from the South East Local Enterprise Partnership to contribute towards the construction of the Innovation Centre.

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.