

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2019**

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<b>UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED</b>
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**COMPANY INFORMATION**

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<b>Directors</b>	Mr Andrew Keeble Mr Owen Bryn Morris Professor Anthony Forster (resigned 12 October 2018) Mr William Hornby Gore Mr Philip Tolhurst Mrs Jane Hamilton (resigned 31 July 2019) Ms Vanessa Plain (resigned 15 November 2019) Mr Paul Barry Excell
<b>Company secretary</b>	Mr Marc Albano
<b>Registered number</b>	04392361
<b>Registered office</b>	University of Essex Wivenhoe Park Colchester Essex CO4 3SQ
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL
<b>Bankers</b>	Lloyds TSB 27 High Street Colchester Essex CO1 1DU

<b>UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED</b>
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## UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

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The directors present their report and the financial statements for the year ended 31 July 2019.

#### **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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 judgements and accounting estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2019**

**Directors**

The directors who served during the year were:

Mr Andrew Keeble  
Mr Owen Bryn Morris  
Professor Anthony Forster (resigned 12 October 2018)  
Mr William Hornby Gore  
Mr Philip Tolhurst  
Mrs Jane Hamilton (resigned 31 July 2019)  
Ms Vanessa Plain (resigned 15 November 2019)  
Mr Paul Barry Excell

**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.

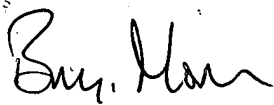
**Auditor**

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 and signed on its behalf.



Mr Owen Bryn Morris  
Director

Date: 5/12/2019

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## UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

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

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#### Opinion

We have audited the financial statements of University of Essex Knowledge Gateway Limited ("the company") for the year ended 31 July 2019, which comprise the Statement of Comprehensive Income, Balance Sheet, and 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 2019 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, and the provisions available for small entities, in the circumstances set out on page 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact

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**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

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

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of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**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 and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in 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,

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**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

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

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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](http://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**  
Chartered Accountants

15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date:





**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Turnover	4	1,532,658	1,317,992
<b>Gross profit</b>		<b>1,532,658</b>	<b>1,317,992</b>
Administrative expenses		(380,723)	(289,003)
<b>Operating profit</b>		<b>1,151,935</b>	<b>1,028,989</b>
Interest receivable and similar income	7	23,574	32,730
<b>Profit before tax</b>		<b>1,175,509</b>	<b>1,061,719</b>
<b>Profit for the financial year</b>		<b>1,175,509</b>	<b>1,061,719</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 10 to 19 form part of these financial statements.

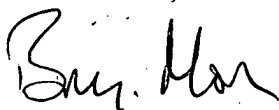
**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**  
**REGISTERED NUMBER: 04392361**

**BALANCE SHEET**  
**AS AT 31 JULY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	20,891,534	14,548,653
		<u>20,891,534</u>	<u>14,548,653</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	2,186,103	8,278,846
Cash at bank and in hand	11	55,405	168,305
		<u>2,241,508</u>	<u>8,447,151</u>
Creditors: amounts falling due within one year	12	(92,677)	(1,130,948)
<b>Net current assets</b>		<u>2,148,831</u>	<u>7,316,203</u>
<b>Total assets less current liabilities</b>		<u>23,040,365</u>	<u>21,864,856</u>
<b>Net assets</b>		<u>23,040,365</u>	<u>21,864,856</u>
<b>Capital and reserves</b>			
Called up share capital		19,653,277	19,653,277
Profit and loss account		3,387,088	2,211,579
		<u>23,040,365</u>	<u>21,864,856</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 on



**Mr Owen Bryn Morris**  
Director

The notes on pages 10 to 19 form part of these financial statements.

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2019.**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2018	19,653,277	2,211,579	21,864,856
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,175,509	1,175,509
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Other comprehensive income for the year</b>	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total comprehensive income for the year</b>	-	1,175,509	1,175,509
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total transactions with owners</b>	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>At 31 July 2019</b>	<u><u>19,653,277</u></u>	<u><u>3,387,088</u></u>	<u><u>23,040,365</u></u>

The notes on pages 10 to 19 form part of these financial statements.

<b>UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED</b>
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2018**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2017	5,171,002	1,149,860	6,320,862
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,061,719	1,061,719
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	1,061,719	1,061,719
Shares issued during the year	14,482,275	-	14,482,275
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	14,482,275	-	14,482,275
	<hr/>	<hr/>	<hr/>
<b>At 31 July 2018</b>	<b>19,653,277</b>	<b>2,211,579</b>	<b>21,864,856</b>

The notes on pages 10 to 19 form part of these financial statements.

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## UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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#### 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 unless otherwise specified within these accounting policies 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 judgement in applying the company 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 2019

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 2019

**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 2019

**2. Accounting policies (continued)**

**2.7 Financial instruments**

The company only enters into basic financial instrument 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 debtors and creditors, 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 the 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 of the recoverable amount, 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.



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## UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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#### 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 reassessed 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.

On the date of transition to FRS 102, 31 July 2015, the company elected to use the previous UK GAAP valuation of land as the deemed cost.

#### 4. Turnover

Turnover includes a grant of £1m (2018 - £1m) received from Essex County Council towards the construction of the Innovation Centre. The remainder of the turnover is attributable to rent and service charges receivable from tenants.

All turnover arose within the United Kingdom.

#### 5. Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3,455	3,223

#### 6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

**7. Interest receivable**

	2019 £	2018 £
Interest receivable from group companies	22,847	31,169
Other interest receivable	727	1,561
	<u>23,574</u>	<u>32,730</u>

**8. Taxation**

	2019 £	2018 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,175,509</u>	<u>1,061,719</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	223,347	201,727
<b>Effects of:</b>		
Utilisation of tax losses	(33,347)	(11,727)
Non-taxable income	(190,000)	(190,000)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

**9. Tangible fixed assets**

	Freehold property £	L/Term Leasehold Property £	Fixtures and fittings £	Assets in the course of construction £	Total £
<b>Cost or valuation</b>					
At 1 August 2018	3,917,486	375,000	85,245	10,412,331	14,790,062
Additions	80,178	-	93,680	6,247,571	6,421,429
Transfers between classes	16,040,520	-	117,438	(16,157,958)	-
At 31 July 2019	20,038,184	375,000	296,363	501,944	21,211,491
<b>Depreciation</b>					
At 1 August 2018	232,886	-	8,523	-	241,409
Charge for the year on owned assets	71,937	-	6,611	-	78,548
Transfers between classes	(2,349)	-	2,349	-	-
At 31 July 2019	302,474	-	17,483	-	319,957
<b>Net book value</b>					
At 31 July 2019	19,735,710	375,000	278,880	501,944	20,891,534
At 31 July 2018	3,684,600	375,000	76,722	10,412,331	14,548,653

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**

	2019 £	2018 £
Trade debtors	115,242	60,461
Amounts owed by group undertakings	1,905,285	7,437,431
Prepayments and accrued income	165,576	780,954
	<u>2,186,103</u>	<u>8,278,846</u>

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

**10. Debtors (continued)**

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

**11. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	55,405	168,305
	<u>55,405</u>	<u>168,305</u>

**12. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	26,499	16,292
Other creditors	13,034	1,010
Accruals and deferred income	53,144	1,113,646
	<u>92,677</u>	<u>1,130,948</u>

**UNIVERSITY OF ESSEX KNOWLEDGE GATEWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

**13. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	55,405	168,305
Financial assets that are debt instruments measured at amortised cost	2,186,103	8,278,846
	<u>2,241,508</u>	<u>8,447,151</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(92,677)	(1,130,948)

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 prepayments and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and deferred income and other loans.

**14. Capital commitments**

At 31 July 2019 the company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	1,208,195	4,861,542
	<u>1,208,195</u>	<u>4,861,542</u>

**15. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

**16. 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 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.