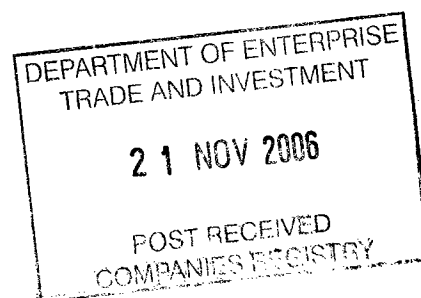




**NORTHERN IRELAND SCIENCE PARK TRADING COMPANY LIMITED**

Report and Financial Statements

31<sup>st</sup> March 2006



# Northern Ireland Science Park Trading Company Limited

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Registered No. NI 38988

## **DIRECTORS**

Mr D.F. Adair (Chairman)  
Dr N. Apsley  
Professor B.M. Hannigan  
Professor J. Mann

## **SECRETARY**

Mr M.G. Lamont

## **AUDITORS**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

## **BANKERS**

Ulster Bank Limited  
PO Box 232  
11-16 Donegall Square East  
Belfast

## **SOLICITORS**

Cleaver Fulton Rankin  
50 Bedford Street  
Belfast  
BT2 7FW

## **REGISTERED OFFICE**

The Innovation Centre  
Queen's Road  
Queen's Island  
Belfast  
BT3 9DT

# Northern Ireland Science Park Trading Company Limited

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## DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31<sup>st</sup> March 2006.

### RESULTS

The profit for the year was £Nil.

### ACTIVITIES

The principal activity of Northern Ireland Science Park Trading Company Limited is to facilitate the provision of financial management and other support necessary for the commercial exploitation of intellectual capital in spin off companies based on the Science Park. This may, in some circumstances, include taking a stake in such companies. However, the Company has been dormant to date.

### DIRECTORS AND THEIR INTERESTS

The directors during the year are listed on page 1.

The directors have no interests in the share capital of the Company.

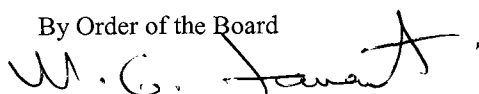
### AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be put to the forthcoming Annual General Meeting.

### SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part VIII of the Companies (Northern Ireland) Order 1986 and with the Financial Reporting Standard for Smaller Entities.

By Order of the Board



M.G. Lamont  
Company Secretary

2<sup>nd</sup> November 2006

# Northern Ireland Science Park Trading Company Limited

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which 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 (Northern Ireland) Order 1986. 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.

# Northern Ireland Science Park Trading Company Limited

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## REPORT OF THE AUDITORS

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN IRELAND SCIENCE PARK TRADING COMPANY LIMITED**

We have audited the company's financial statements for the year ended 31<sup>st</sup> March 2006, which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Article 243 of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies (Northern Ireland) Order 1986, and whether the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

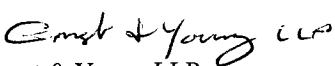
# Northern Ireland Science Park Trading Company Limited

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## REPORT OF THE AUDITORS (continued)

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of affairs of the company's affairs as at 31<sup>st</sup> March 2006 and of its profit for the year then ended. The Financial Statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986; and the information given in the directors' report is consistent with the financial statements.

  
Ernst & Young LLP  
Registered Auditor  
Belfast

14<sup>th</sup> November 2006

# Northern Ireland Science Park Trading Company Limited

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## PROFIT AND LOSS ACCOUNT for the year ended 31<sup>st</sup> March 2006

	<i>Notes</i>	<i>2006</i> £	<i>2005</i> £
<b>TURNOVER</b>		-	-
Operating expenses		-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	4	-	-

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

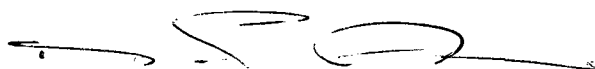
There are no recognised gains or losses for the year ended 31<sup>st</sup> March 2006 (2005 - £Nil).

# Northern Ireland Science Park Trading Company Limited

## BALANCE SHEET as at 31<sup>st</sup> March 2006

	<i>Notes</i>	<i>2006</i> £	<i>2005</i> £
<b>CURRENT ASSETS</b>			
Debtors	2	1	1
<b>NET CURRENT ASSETS</b>		<u>1</u>	<u>1</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	1	1
Profit and loss account	4	-	-
		<u>1</u>	<u>1</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VIII of the Companies (Northern Ireland) Order 1986 and with the Financial Reporting Standard for Smaller Entities.



D.F. Adair  
Chairman

2<sup>nd</sup> November 2006



# Northern Ireland Science Park Trading Company Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31<sup>st</sup> March 2006

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and comply with the Financial Reporting Standard for Smaller Entities.

### 2. DEBTORS

	2006 £	2005 £
Sundry debtors	1	1
	<u>1</u>	<u>1</u>

### 3. SHARE CAPITAL

	2006 £	<i>Authorised</i> 2005 £
Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

	2006 No.	2005 No.	<i>Allotted, called up and fully paid</i> 2006 £	2005 £
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 4. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share capital</i> £	<i>Profit &amp; loss account</i> £	<i>Total</i> £
At 31 <sup>st</sup> March 2004	1	-	1
Profit for the year	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>
At 31 <sup>st</sup> March 2005	1	-	1
Profit for the year	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>
At 31 <sup>st</sup> March 2006	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS  
at 31<sup>st</sup> March 2006

**5. CONTINGENT LIABILITIES**

The group has granted fixed charges over its present and future freehold and leasehold property and on any income arising out of the lease of these properties and a floating charge over the undertaking, goodwill, property and assets both present and future in favour of the Department of Enterprise, Trade and Investment in respect of all receipts of grant due or to become due under the terms of funding agreements dated 22<sup>nd</sup> March 2002 and 31<sup>st</sup> March 2004. It has also given an unlimited guarantee to repay all monies due on intra group receipts of capital grants under the funding agreements. At 31<sup>st</sup> March 2006, the group had received capital advances totalling £19.4 million (2005 - £14.2 million).

The Company has entered into an intra group cross guarantee in favour of Ulster Bank Limited whereby it has guaranteed the obligations of its ultimate parent undertaking, and subsidiary undertakings thereof, due, or which become due, to the bank.

**6. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption within FRS 8 "Related Party Disclosures" from disclosing transactions with its related companies as group accounts are prepared.

**7. ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent undertaking is Northern Ireland Science Park (Holdings) Limited, a company incorporated in Northern Ireland. Its ultimate parent undertaking is Northern Ireland Science Park Foundation Limited, a company incorporated in Northern Ireland. This is the parent undertaking of the largest group of which the Company is a member and for which group accounts are prepared. Copies of its group accounts may be obtained from its registered office.

# Northern Ireland Science Park (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31<sup>st</sup> March 2006

### 7. TANGIBLE FIXED ASSETS

	<i>Leasehold Improvements</i>	<i>Computer Equipment</i>	<i>Fixtures &amp; Fittings</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 <sup>st</sup> April 2005	10,075	56,539	128,579	195,193
Additions	-	1,164	528	1,692
Disposals	-	(2,525)	(177)	(2,702)
At 31 <sup>st</sup> March 2006	10,075	55,178	128,930	194,183
Depreciation:				
At 1 <sup>st</sup> April 2005	6,563	27,140	41,251	74,954
Disposals	-	(2,525)	(100)	(2,625)
Charge for the year	3,512	16,968	32,179	52,659
At 31 <sup>st</sup> March 2006	10,075	41,583	73,330	124,988
Net book value:				
At 31 <sup>st</sup> March 2006	-	13,595	55,600	69,195
At 31 <sup>st</sup> March 2005	3,512	29,399	87,328	120,239

### 8. INVESTMENTS

	<i>2006</i>	<i>2005</i>
	£	£
Northern Ireland Science Park Trading Company Limited		
1 ordinary share of £1 at cost	1	1
Northern Ireland Science Park Property Limited		
1 ordinary share of £1 at cost	1	1
Investment in subsidiary undertakings	2	2

The Company's interests in Northern Ireland Science Park Trading Company Limited and Northern Ireland Science Park Property Limited, represent 100% of the issued share capital. Both of these companies are registered in Northern Ireland.

# Northern Ireland Science Park (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31<sup>st</sup> March 2006

### 8. INVESTMENTS (continued)

Details of the Company's 100% share in the profit and aggregated capital and reserves of the subsidiary companies for the year ended 31<sup>st</sup> March 2006 are:

	<i>Profit</i>	<i>Aggregated capital &amp; reserves</i>
	<i>£</i>	<i>£</i>
Northern Ireland Science Park Trading Company Limited	-	1
Northern Ireland Science Park Property Limited	46,329	219,249

### 9. DEBTORS

	<i>2006</i>	<i>2005</i>
	<i>£</i>	<i>£</i>
Trade debtors	102,213	62,213
Prepayments and accrued income	44,568	29,011
Other debtors	8,149	1,844,386
Intercompany - Northern Ireland Science Park Property Limited	408,987	134,982
	563,917	2,070,592

Other debtors, as at 31<sup>st</sup> March 2005, included a loan of £1,835,875 to UUSRP Limited which was repaid on 28<sup>th</sup> July 2005.

### 10. CREDITORS: amounts falling due in less than one year

	<i>2006</i>	<i>2005</i>
	<i>£</i>	<i>£</i>
Trade creditors	118,975	48,067
Accruals and deferred Income	227,763	155,619
Other creditors	70,671	45,032
Bank overdraft	203,946	49,375
Intercompany - Northern Ireland Science Park Foundation Limited	743,272	424,588
Other taxes and social security	22,581	9,637
	1,387,208	732,318

# Northern Ireland Science Park (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31<sup>st</sup> March 2006

### 11. ACCRUALS AND DEFERRED INCOME

#### *Deferred credit:*

	2006 £	2005 £
Balance at 1 <sup>st</sup> April 2005	1,956,115	1,961,710
Additions	1,692	43,832
Released in period	(52,737)	(49,427)
Balance at 31 <sup>st</sup> March 2006	1,905,070	1,956,115

Under the terms of funding agreements dated 22<sup>nd</sup> March 2002 and 31<sup>st</sup> March 2004 entered into with the Department of Enterprise, Trade and Investment, the group is entitled to receive capital grants up to £20,725,825 by 30 June 2007. The capital grant is to be repaid out of distributable reserves beginning with the financial year commencing on 1<sup>st</sup> April 2019 provided such repayment would not prejudice the future needs of the project and the science park generally.

### 12. SHARE CAPITAL

	2006 £	2005 £
Ordinary shares of £1 each	100,000	100,000

	2006 No.	2005 No.	2006 £	2005 £
Ordinary shares of £1 each	1	1	1	1

# Northern Ireland Science Park (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31<sup>st</sup> March 2006

### 13. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share capital £</i>	<i>Profit &amp; loss account £</i>	<i>Total £</i>
At 31 <sup>st</sup> March 2004	1	10,791	10,792
Profit for the year	-	14,765	14,765
At 31 <sup>st</sup> March 2005	1	25,556	25,557
Profit for the year	-	42,901	42,901
At 31 <sup>st</sup> March 2006	1	68,457	68,458

### 14. CONTINGENT LIABILITIES

The group has granted fixed charges over its present and future freehold and leasehold property and on any rents receivable arising out of the lease of these properties and a floating charge over the undertaking, goodwill, property and assets both present and future in favour of the Department of Enterprise, Trade and Investment in respect of all receipts of grant due or to become due under the terms of funding agreements dated 22<sup>nd</sup> March 2002 and 31<sup>st</sup> March 2004. It has also given an unlimited guarantee to repay all monies due on intra group receipts of capital grants under the funding agreements. At 31<sup>st</sup> March 2006 the group had received capital advances totalling £19.4 million (2005 - £14.2 million).

The Company had entered into an intra group cross guarantee in favour of Ulster Bank Limited whereby it has guaranteed the obligations of its ultimate parent undertaking and subsidiary undertakings thereof, due, or which become due, to the bank.

### 15. CAPITAL COMMITMENTS

Amounts approved by the board, not contracted for and not provided in the financial statements amounted to £nil (2005 - £nil).

### 16. RELATED PARTIES

The Company has taken advantage of the exemption within FRS 8 "Related Party Disclosures" from disclosing transactions with its related companies as group accounts are prepared.

UUSRP Limited, which repaid a loan from the Group during the year, as detailed in Note 9 to the Financial Statements, is a wholly owned subsidiary of the University of Ulster, which is a member of the Company's ultimate parent undertaking. Dr N. Apsley, Mr M.G.A. Black and Professor B.M. Hannigan, directors of the Company during the year, are non executive directors of UUSRP Limited. Mr Black is also a director

# Northern Ireland Science Park (Holdings) Limited

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## NOTES TO THE FINANCIAL STATEMENTS at 31<sup>st</sup> March 2006

of the Company's ultimate parent undertaking. All directors of UUSRP Limited disclosed their interest when the transaction was discussed and did not participate in the decision making process.

Dr N. Apsley, a director of the Company, is a non executive director of Investment Belfast Limited. During the year, the Company paid Investment Belfast Limited £27,926 (2005 - £423) in respect of joint marketing initiatives. At the balance sheet date the amount due to Investment Belfast Limited, inclusive of value added tax, totalled £20,563 (2005 - £nil) and is included in trade creditors, disclosed in Note 10 to the Financial Statements.

All transactions with related parties were negotiated at arms length.

### **17. ULTIMATE PARENT UNDERTAKING**

The Company's immediate and ultimate parent undertaking is Northern Ireland Science Park Foundation Limited, a company incorporated in Northern Ireland. This is the parent undertaking of the largest group of which the Company is a member and for which group accounts are prepared. Copies of its group accounts may be obtained from its registered office.