

**Company registered number: 3205246**



**UNIVERSITY OF WARWICK SCIENCE  
PARK INNOVATION CENTRE  
LIMITED**

**Annual report and financial statements  
for the year ended 30 September 2011**

# **University of Warwick Science Park Innovation Centre Limited**

## **Annual report and financial statements for the year ended 30 September 2011**

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	7
Statement of total recognised gains and losses	8
Balance sheet	9
Statement of accounting policies	10
Notes to the financial statements	12

# **University of Warwick Science Park Innovation Centre Limited**

## **Officers and professional advisers for the year ended 30 September 2011**

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### **Directors**

Councillor RPL Morris-Jones  
Dr I D Nussey  
Professor S B Palmer  
Mr N J Sanders  
Professor N J Thrift  
Mr P Daffern

### **Secretary**

Mr D C Grindrod

### **Registered Office**

The Venture Centre  
Sir Williams Lyons Road  
Coventry  
CV4 7EZ

### **Bankers**

Barclays Bank plc  
University of Warwick Branch  
University of Warwick  
Coventry  
CV4 7AL

### **Solicitors**

SGH Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

Wright Hassall LLP  
Olympus Avenue  
Leamington Spa  
Warwickshire  
CV34 6BF

### **Auditors**

KPMG LLP  
Chartered Accountants  
One Snowhill  
Snowhill Queensway  
Birmingham  
B4 6GH

# **University of Warwick Science Park Innovation Centre Limited**

## **Directors' report**

### **for the year ended 30 September 2011**

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The directors present their annual report and the audited financial statements for the year ended 30 September 2011

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

#### **Principal Activities**

The University of Warwick Science Park Innovation Centre owns and lets its building on the Warwick Technology Park to SMEs engaged in high technology and other innovation led businesses. The University of Warwick Science Park Limited manages the building on behalf of the company and acts as a focus of technology and information exchange between tenants and the University, whilst giving tenants additional access to the various business development projects and initiatives carried out on the University of Warwick Science Park main site.

#### **Business review**

During the financial year the occupancy level of the building decreased which was occasioned due to the graduation of two tenants to larger dedicated space within Warwickshire. The profit for the year before taxation amounted to £111,756 (2010: £100,294) and the loss after taxation amounted to £1 (2010: £9,070 loss) 2011 results include the first year interest payable to Warwickshire County Council for it's 1.5% £1,502,000 preference shares

#### **Going concern**

Income and future cash flows will continue to be derived from the company's principal activities. The directors believe that the company is well placed to manage its business risks despite the current economic outlook. The directors have also considered the working capital requirements for a period of 12 months from the date of this report and have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

#### **Financial risk management objectives and policies**

The directors have reviewed the financial risk management objectives and policies of the company. The company does not as a regular policy enter into hedging instruments or derivatives, as there is not believed to be any material exposure. It also does not enter into any speculative financial instruments. Appropriate trade terms are negotiated with suppliers and customers and management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms

#### **Dividends**

A final dividend is payable in accordance with the Shareholders' Agreement subject to a requirement for working capital provision. The total interim dividend is £21,000 (2010: £64,000) and the total final dividend is £33,123 (2010: £11,617).

# University of Warwick Science Park Innovation Centre Limited

## Directors' report for the year ended 30 September 2011

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### Directors

The directors, who served throughout the year and up to the date of signing these accounts, were as follows

Name	Representing
Councillor J Lea	Warwickshire County Council
Councillor RPL Morris-Jones	Warwickshire County Council
Dr I D Nussey	Independent
Professor S B Palmer	University of Warwick Science Park Limited
Mr N J Sanders	University of Warwick Science Park Limited
Professor N J Thrift	University of Warwick Science Park Limited
Mr P Daffern	West Midlands Enterprise Limited

Councillor J Lea resigned 17 March 2011. Councillor RPL Morris-Jones was appointed 1 July 2011

### Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year

### Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

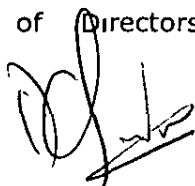
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP have indicated their willingness to be appointed for another term and a resolution to reappoint them will be proposed at the forthcoming Board of Directors Meeting.

Approved by the Board of Directors and signed on its behalf by:

D C Grindrod  
Secretary  
Date. 19 December 2011



Registered office:  
The Venture Centre  
Sir William Lyons Road  
Coventry CV4 7EZ

## **University of Warwick Science Park Innovation Centre Limited**

### **Statement of Directors' responsibilities in respect of the Directors' report and the Financial 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

## **Independent auditors' report to the Members of University of Warwick Science Park Innovation Centre Limited**

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We have audited the financial statements of the University of Warwick Science Park Innovation Centre Limited for the year ended 30 September 2011 set out on pages 7 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).

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 30 September 2011 and of its result 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 the financial statements.

### **Matters on which we are required to report by exception**

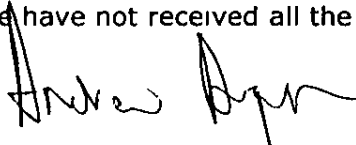
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

**Independent auditors' report to the Members of University of Warwick  
Science Park Innovation Centre Limited - continued**

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- 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.



**Andrew Argyle (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH, UK

Date: 21 December 2011



# University of Warwick Science Park Innovation Centre Limited

## Profit and loss account for the year ended 30 September 2011

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	Note	2011 £	2010 £
<b>TURNOVER</b>	1	<u>416,235</u>	<u>424,215</u>
<b>OPERATING PROFIT</b>	1	111,603	98,162
Interest receivable and similar income		153	2,132
Interest payable and similar charges	5	<u>(76,661)</u>	<u>(75,617)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	35,094	24,677
Tax charge on profit on ordinary activities	6	<u>(35,095)</u>	<u>(33,747)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	14	<u>(1)</u>	<u>(9,070)</u>

All activities derive from continuing operations.

There is no material difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis. Accordingly, a note of the historical cost profits & losses for the year is not given.

# University of Warwick Science Park Innovation Centre Limited

## Statement of total recognised gains and losses for the year ended 30 September 2011

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	Note	2011 £	2010 £
Loss for the financial year		(1)	(9,070)
Unrealised deficit on revaluation of land and buildings	15	<u>(94,000)</u>	<u>(61,000)</u>
Total recognised losses relating to the financial year		<u><u>(94,001)</u></u>	<u><u>(70,070)</u></u>

# University of Warwick Science Park Innovation Centre Limited

## Balance sheet

at 30 September 2011

	Note	2011 £	2011 £	2010 £	2010 £
<b>FIXED ASSETS</b>					
Tangible assets	7		2,298,000		2,399,494
<b>CURRENT ASSETS</b>					
Debtors	8	27,910		62,163	
Cash at bank and in hand		232,926		287,116	
		<u>260,836</u>		<u>349,279</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(160,485)</u>		<u>(250,121)</u>	
<b>NET CURRENT ASSETS</b>			<u>100,351</u>		<u>99,158</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,398,351		2,498,652
<b>CREDITORS: amounts falling due after more than one year</b>	10		<u>(1,996,701)</u>		<u>(2,003,001)</u>
<b>NET ASSETS</b>			<u>401,650</u>		<u>495,651</u>
<b>CAPITAL AND RESERVES</b>					
Profit and loss account	14		779,270		779,271
Revaluation reserve	14		<u>(377,620)</u>		<u>(283,620)</u>
<b>TOTAL FUNDS</b>	15		<u>401,650</u>		<u>495,651</u>

The financial statements have been prepared in accordance with the special provisions contained in Part 15 of the Companies Act 2006 relating to small companies

The financial statements of University of Warwick Science Park Innovation Centre Limited, registered number 3205246, were approved by the board of directors and authorised for issue on 19 December 2011.

*SB Palmer*

Professor S B Palmer  
Director

Date: 19 December 2011

# **University of Warwick Science Park Innovation Centre Limited**

## **Statement of accounting policies for the year ended 30 September 2011**

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The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### **Basis of accounting**

The financial statements have been prepared under the historic cost convention and in accordance with applicable United Kingdom accounting standards.

### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting policies and under the historical cost convention.

Income and future cash flows will continue to be derived from the company's principal activities. The directors believe that the company is well placed to manage its business risks despite the current uncertain economic outlook; this information is represented in financial forecasts and from independent data showing up to 6% rental growth for the UK 2011 to 2013. The directors have also considered the working capital requirements for a period of 12 months from the date of this report and have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **Investment properties**

In accordance with Statement of Accounting Practice No 19 certain of the company's properties are held for long-term investment and as such are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of such properties are transferred to the investment property revaluation. Depreciation is not provided in respect of investment properties.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### **Tangible Fixed assets**

Tangible fixed assets, other than investment properties and freehold land, are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all such tangible fixed assets, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Fixtures and fittings	5 years
Office and computer equipment	3 years

# **University of Warwick Science Park Innovation Centre Limited**

## **Statement of accounting policies for the year ended 30 September 2011**

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### **Taxation**

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

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **Turnover**

Turnover represents amounts receivable for rents, management charges and service charges receivable net of trade discounts, VAT and other sales-related taxes. Revenue is recognised in line with the terms of lease agreement for rent, management charges and service charges. All other income is recognised as and when the service is performed irrespective of the date of receipt or payment.

### **Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

### **Cash flow statement**

The company is not presenting a cash flow statement. It is taking advantage of the exemption contained in FRS 1 (Revised) Cash Flow Statements as it is a small entity.

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements for the year ended 30 September 2011

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### 1. TURNOVER

	2011 £	2010 £
Turnover	416,235	424,215
Release of Government Grant	6,300	-
Cost of sales	(250,329)	(265,799)
Gross Profit	172,206	158,416
Management and administration expenses	(60,603)	(60,254)
Operating profit	111,603	98,162

Turnover consists entirely of sales made in the United Kingdom and includes revenue of £319,144 (2010: £330,401) from rental operating leases

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets	7,494	4,499

The analysis of the auditor's remuneration is as follows:

	2011 £	2010 £
Fees payable to the company's auditors for the audit of the company's annual accounts	2,750	4,250
Fees payable to the company's auditors and their associates for taxation services to the company	2,500	3,000

### 3. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments for their services to the company during the year. Management and Administration was carried out by the University of Warwick Science Park Limited and has an agreement with the company to manage its building, management and administration

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements - continued for the year ended 30 September 2011

### 4. EMPLOYEE INFORMATION

The company has no employees in either year

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
1 5% Preference Shares	22,539	-
Bank loans and overdrafts	-	-
Ordinary A shares – interim dividend of 18 0p per share (2010 – 54.8p)	15,750	48,000
Ordinary B shares – interim dividend of 1.5p per share (2010 – 4.6p)	5,250	16,000
Ordinary A shares – final dividend of 4 9p per share (2010 – 10.0p)	4,311	8,713
Ordinary B shares – final dividend of 8.2p per share (2010 – 0.8p)	28,811	2,904
	<hr/>	<hr/>
Total interest payable and similar charges	76,661	75,617

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £	2010 £
Analysis of charge in the year		
Current year		
UK corporation tax on profit for the year 27% (2010: 28%)	34,936	30,405
Adjustment in respect of previous years	(597)	4,492
	<hr/>	<hr/>
Total current tax	34,339	34,897
Deferred tax		
Origination of timing differences	879	287
Adjustment in respect of prior years	(123)	(1,437)
	<hr/>	<hr/>
	756	(1,150)
	<hr/>	<hr/>
Tax on profit on ordinary activities	35,095	33,747

### Factors affecting tax charge for the year

	2011 £	2010 £
Profit on ordinary activities before tax	35,094	24,677
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the rate of corporation tax 27% (2010:28%)	8,920	6,910
Effects of:-		

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements - continued for the year ended 30 September 2011

Expenses not deductible for tax purposes	24,742	23,116
Depreciation on ineligible less IBAs	2,018	666
Capital allowances for period in excess of depreciation	(744)	(287)
Adjustment to tax charge in respect of previous year	(597)	4,492
	<u>34,339</u>	<u>34,897</u>
Current tax charge		

### 7. TANGIBLE FIXED ASSETS

#### Valuations

A professional valuation of the land and buildings was made by an independent third party, Savills Commercial Limited, at 30 September 2011. This valuation has been included in the accounts with the resultant deficit arising of £94,000 being transferred to the revaluation reserve. The basis of the valuation used was market value.

The historical cost of land and buildings included at valuation is £2,675,620 (2010: £2,675,620)

	Investment properties	Investment properties	Non- investment fixed assets	
	Long leasehold land	Long leasehold buildings £	Fixtures & Fittings £	Total £
<b>Cost or valuation</b>				
At 1 October 2010	425,983	1,966,017	29,981	2,421,981
Revaluation	340,017	(434,017)	-	(94,000)
At 30 September 2011	<u>766,000</u>	<u>1,532,000</u>	<u>29,981</u>	<u>2,327,981</u>
<b>Accumulated depreciation</b>				
At 1 October 2010	-	-	22,487	22,487
Charge for the year	-	-	7,494	7,494
At 30 September 2011	<u>-</u>	<u>-</u>	<u>29,981</u>	<u>29,981</u>
<b>Net book value</b>				
At 30 September 2011	<u>766,000</u>	<u>1,532,000</u>	<u>-</u>	<u>2,298,000</u>
At 30 September 2010	<u>425,983</u>	<u>1,966,017</u>	<u>7,494</u>	<u>2,399,494</u>



# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements - continued for the year ended 30 September 2011

### 8. DEBTORS

	2011 £	2010 £
Amounts owed by University of Warwick Science Park Limited	-	16,761
Deferred tax asset (see note 12)	1,686	2,442
Social security and other taxes	-	17,687
Corporation tax	3,199	2,899
Other trade debtors	1,828	8,778
Return of 2009 Dividend from University of Warwick Science Park Limited	-	13,596
Accrued Income	21,197	
	<u>27,910</u>	<u>62,163</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Corporation tax	-	-
Social security and other taxes	3,405	-
Dividend payable	33,122	25,212
Amounts owed to University of Warwick Science Park Limited	90,403	62,201
Amounts owed to Warwickshire County Council	28,300	162,698
Other creditors	5,255	10
	<u>160,485</u>	<u>250,121</u>

### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Government and other grants	56,700	63,000
Ordinary shares	437,501	437,501
Preference shares	1,502,500	1,502,500
	<u>1,996,701</u>	<u>2,003,001</u>

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements - continued for the year ended 30 September 2011

### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

	2011 £	2010 £
Ordinary shares	<u>437,501</u>	<u>437,501</u>

The ordinary shares entitle holders to a dividend (note 13).

	2011 £	2010 £
Preference shares	<u>1,502,500</u>	<u>1,502,500</u>

The Preference Shares entitle holders to a fixed non-cumulative preferential dividend at the rate of 1.5% per annum commencing 1 October 2010.

### 11. GOVERNMENT AND OTHER GRANTS

	2011 £	2010 £
Grant in respect of Marketing Area	<u>56,700</u>	<u>63,000</u>

### 12. DEFERRED TAX ASSETS

	2011 £	2010 £
Accelerated capital allowances	<u>(1,686)</u>	<u>(2,442)</u>
Provision at 1 October	(2,442)	(1,292)
Deferred tax charge/(credit) in the profit and loss account	<u>756</u>	<u>(1,150)</u>
Provision at 30 September	<u>(1,686)</u>	<u>(2,442)</u>

The directors are of the opinion that it is appropriate to recognise a deferred tax asset on the basis that it is more likely than not that the asset will be recovered against future taxable profits, based on recent and forecast trading.

Deferred taxation not provided for in the financial statements:	2011 £	2010 £
Unrealised capital gains	<u>-</u>	<u>-</u>

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements for the year ended 30 September 2011

### 12. DEFERRED TAX (CONTINUED)

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, these assets are unlikely to be disposed of in the foreseeable future.

### 13. SHARE CAPITAL

	2011 £	2010 £
<b>Authorised</b>		
87,500 A Ordinary £1 shares	87,500	87,500
350,001 B Ordinary £1 shares	350,001	350,001
952,000 A Preference £1 shares	952,500	952,500
550,000 B Preference £1 shares	550,000	550,000
	<u>1,940,001</u>	<u>1,940,001</u>
<b>Issued called up and fully paid</b>		
<b>Warwickshire County Council</b>		
87,500 A Ordinary £1 shares	87,500	87,500
<b>University of Warwick Science Park Limited</b>		
350,001 B Ordinary £1 shares	<u>350,001</u>	<u>350,001</u>
	437,501	437,501
<b>Warwickshire County Council</b>		
952,000 A Preference £1 shares	952,500	952,500
550,000 B Preference £1 shares	<u>550,000</u>	<u>550,000</u>
	<u>1,940,001</u>	<u>1,940,001</u>

All the issued shares are presented as a liability and accordingly are excluded from called up share capital on the balance sheet

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements - continued for the year ended 30 September 2011

### 13. SHARE CAPITAL (CONTINUED)

#### Rights of A Ordinary Shares and B Ordinary Shares

- i. All classes of ordinary shares will rank pari passu in all respects except the distribution of profits
- ii Any dividend available shall be divided as follows.

Class of Shares	In respect of any financial year during which the loan and the working capital facility remains outstanding or part thereof	In respect of any financial year during which the loan and the working capital Facility are finally repaid in full
A Ordinary Shares	$X \times NP$	$(75\% \times (NP+R)) - (P+R)$
B Ordinary Shares	$Y \times NP$	$25\% \times (NP + R)$

Where:

$X = (1,590,000) + (L \times 0.74) / 2,630,001 \times 100\%$  or 75% whichever is the smallest figure

$Y = (100-X)\%$

$NP =$  Amount equal to the Net Profits for the relevant Financial Year

$R =$  The rent due during the relevant Financial Year

$P =$  Aggregate dividend payable in respect of the relevant Financial Year in respect Of the A and B Preference Shares

$L =$  Aggregate amount of the Loan repaid from time to time as quantified at the end of the relevant Financial Year

#### Rights of A preference shares and B preference shares

##### A preference shares

- i entitles holders, in priority to the holders of ordinary shares, to a fixed non-cumulative preferential dividend at the rate of 1.5% per annum commencing 1 October 2010;
- ii on a return of capital on a winding up, or otherwise, will carry the right to repayment of capital of £1 per share ranking after the B preference shares;
- iii carry no entitlement to notice of general meetings or rights to vote or participate in further profits

##### B preference shares

- i entitles holders, in priority to the holders of ordinary shares, to a fixed non-cumulative preferential dividend at the rate of 1.5% per annum commencing 1 October 2010,  
on a return of capital on a winding up, or otherwise, will carry the right to repayment of capital of £1 per share in priority to all other classes of shares,

# University of Warwick Science Park Innovation Centre Limited

## Notes to the financial statements - continued for the year ended 30 September 2011

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carry no entitlement to notice of general meetings or rights to vote or participate in further profits.

### 14. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 October 2010	(283,620)	779,271
Retained profit (Loss) for the year	-	(1)
Deficit on revaluation	(94,000)	-
At 30 September 2011	<u>(377,620)</u>	<u>779,270</u>

### 15. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(1)	(9,070)
Revaluation (deficit)	(94,000)	(61,000)
Net reduction in shareholders' funds	(94,001)	(70,070)
Opening shareholders' funds	495,651	565,721
Shareholders' funds at 30 September	<u>401,650</u>	<u>495,651</u>

### 16. CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2011 or 30 September 2010

### 17. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2011 or 30 September 2010.

# **University of Warwick Science Park Innovation Centre Limited**

## **Notes to the financial statements - continued** **for the year ended 30 September 2011**

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### **18. RELATED PARTY TRANSACTIONS**

The University of Warwick Science Park Limited has a management agreement with the company whereby it manages the company's property. During the year, management charges totalling £54,854 (2010: £53,003) were paid.

The amount owed by University of Warwick Science Park Limited as at 30 September 2011 amounted to £nil (2010: £16,761). The amount owed to the University of Warwick Science Park Limited as at 30 September 2011 amounted to £90,403 (2010: £62,201).

The Shareholders Agreement requires the Company to pay Warwickshire County Council 20% as an arising ground rent. During this financial year it totalled £59,589 (2010 £138,465 which included £75,533 relating to 2009).

The amount owed to Warwickshire County Council by the Company as at 30 September 2011 amounted to £28,300 (2010: £162,698).