

Company Registration No. 07737629 (England and Wales)

BRUNTWOOD SCIENCE LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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BRUNTWOOD SCIENCE LIMITED

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For the Year Ended 30 September 2022

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BRUNTWOOD SCIENCE LIMITED

COMPANY INFORMATION
For the Year Ended 30 September 2022

DIRECTORS

C G Oglesby
P A Crowther
K V Lawlor
K P Mackay
B Topps

REGISTERED OFFICE

Union
Albert Square
Manchester
M2 6LW

COMPANY REGISTRATION NUMBER

07737629 (England and Wales)

AUDITOR

Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

BANKERS

The Royal Bank of Scotland plc
HSBC plc
Lloyds Banking Group plc
Santander UK plc

SOLICITORS

Addleshaw Goddard LLP, Manchester

BRUNTWOOD SCIENCE LIMITED

CHAIRMAN'S REPORT

For the Year Ended 30 September 2022

In this year where Permacrisis was chosen as the Collins Dictionary's word of the year, I am delighted to announce yet another strong set of numbers for Bruntwood SciTech. We are reporting Profit Before Tax of £114m and a 36.7% increase in Net Worth to £319.4m. These results are testament to the resilience of the Bruntwood SciTech proposition throughout and coming out of the Covid pandemic and are a reflection of the significant transactions that we agreed and subsequently completed during that period.

Permacrisis is an appropriate word against the economic backdrop of Brexit, Covid and now the cost of living crisis, yet we believe that the product and operating platform that we have created along with our focus on the thriving growth sectors of a 4th Industrial Revolution powered by science and technology position us well against what is now looking like an inevitable recession.

We recognised 2021 as a tipping point for the momentum of the business with our expansion in the Golden Triangle alongside our development activity across our current Birmingham, Cheshire and Manchester assets. We have carried this momentum into 2022 with our expansion into Glasgow following the acquisition of Met Tower in March 2022 alongside the formalisation of the ID Manchester joint venture with the University of Manchester with work continuing on the development of its masterplan leading into a 10 year runway of activity for the business in Manchester.

Our property portfolio has increased in value to £858.44m, up from £647.4m last year via a combination of the continued investment in our portfolio and a strengthening of market sentiment towards science and technology focussed real estate. As we continue to build our network across the UK the portfolio remains weighted towards development activity with the growth seen in our portfolio value this year evident of another successful year of development and letting activity across recently completed developments at Manchester Science Park, Alderley Park where a new range of hi-tech chemistry laboratories have been completed and the completion of the final lettings at the first phase of Circle Square.

Gross Profit has increased from £12.7m to £16.8m in the year representing a full year of income for the Melbourn Science Park assets acquired in March 2021, alongside the letting up of Circle Square which results in a significant reduction in void costs and recognition of rental income for the completed transactions. We have also seen further redevelopment activity at Alderley Park which has seen previously cost-incurring spaces redeveloped into lettable space reducing the operating costs across the site.

Bruntwood SciTech retains our ambitious target to grow the asset base to £2bn over the next 5 years and 2022 has seen significant progress against that target. We believe the dedicated focus in the science and technology sector is critical to this growth and the continued ability to attract, retain and expand these customers is reliant on our continued investment in our products and services with over £91m of capital investment during the year.

Our banking club has continued to support us throughout 2022 with drawdowns against the investment facility agreed in 2021 to fund the refurbishment activity. Throughout this period our gearing ratio continued to fall in line with the increase in property valuations highlighted above. Our wider funding network has also seen us utilise third party development finance provided by the Northwest Evergreen Fund and Oaknorth Bank which has seen us develop the Base building at Manchester Science Park, Enterprise Wharf at Innovation Birmingham, Birmingham Health Innovation Campus and Met Tower in Glasgow respectively.

It's increasingly apparent that innovation, science and technology have to be the basis of our future economy, especially in our regional cities. Already we are seeing the businesses of the 4th industrial revolution flourish in our cities, with those at the forefront being unafraid to disrupt their sectors through application of innovative technologies. We have continued to campaign for devolving more responsibility for funding innovation to local authorities to enable power and decision making to be embedded within that place.

While the term levelling up has gone in and out of fashion over the last 12 months, the idea of increasing investment in the regional cities has not. We have worked with local partners in our cities to make the case to Government for increased R&D funding to support the UK economy as a whole and for more of this to be directed towards our regional cities in a way that is additive overall. This is not simply about investing in University research, although this is very important, but translating the excellent R&D into jobs and growth by improving take up and adoption by businesses in our city regions. The argument has been accepted and three Innovation Accelerators (in Greater Manchester, the West Midlands and Glasgow) announced early in the year will begin piloting a new approach to devolved and private sector led decision making on innovation funding, and the building of innovation ecosystems that drive productivity and growth.

The Bruntwood and Bruntwood SciTech business model has always been about more than providing physical space. We want to support the long term success of our regional cities and for this we know that we need to invest in the wider innovation and community ecosystem. This means ensuring that businesses have access to funding, skills and talent and the opportunity to create deep networks, all of which we do through our Innovation Services.

BRUNTWOOD SCIENCE LIMITED

CHAIRMAN'S REPORT (CONTINUED) For the Year Ended 30 September 2022

We also increasingly support businesses by investing directly or through our contribution to funds such as Northern Gritstone and the GM and Cheshire Life Sciences fund. Often these are businesses in our portfolio but sometimes are aligned businesses that we see supporting a healthy local economy. Regardless of where they are based they will be making a contribution to creating thriving cities - by acting to address climate change, reduce inequalities related to education, skills or health, or adding to the cultural vibrancy of our cities. In addition to our business contribution we also support these same priorities philanthropically and through the Oglesby Charitable Trust. This layered focus amplifies the impact we have in our day to day business to the benefit of our customers, communities and colleagues.

The overarching purpose of Bruntwood Group is Creating Thriving Cities, aiming to support successful towns and cities where businesses want to start up, grow and move to and people want to live. Legal & General Capital is committed to regenerating Britain's towns and cities using its long-term capital to make investments that are mutually beneficial to its shareholders and the economy, as well as having a positive societal impact. The two shareholders are therefore completely aligned in their overarching purpose and their Bruntwood's SciTech Joint Venture's part in this is to create a network of thriving innovation districts which sees us doing more than just developing individual buildings but contributing fully to making cities that work for people and businesses.

By focussing as the UK's leading property provider dedicated to the growth of the science and tech sector and providing coinnovation and collaboration opportunities for the businesses located on our campuses, both within and between cities, Bruntwood SciTech is truly bringing 'Creating Thriving Cities' to life across the whole of the UK. We have a very different proposition to other businesses operating in the life sciences and technology sector, where our business is so rooted in place and creating deep ecosystems. We aim to help cities to develop their strategies and align our strategy behind them, looking at the areas of growth in the economy and the infrastructures required for delivery.

Whilst we proceed with caution due to the wider economic environment we look ahead to another busy year continuing the growth of the Bruntwood SciTech business as we submit the masterplan proposals for ID Manchester and Melbourn Science Park in 2023, begin the next phase of development at Circle Square and Citylabs, complete Enterprise Wharf and the first phase of Birmingham Health Innovation Campus, and start on site at Met Tower. We also continue to review the next investment phases across our other regions to continue to develop thriving innovation districts across the UK.



C G Oglesby - Chairman

31 January 2023

BRUNTWOOD SCIENCE LIMITED

STRATEGIC REPORT

For the Year Ended 30 September 2022

BUSINESS OVERVIEW

In 2012 Bruntwood began to create specialist facilities for science and technology businesses, first as majority shareholder at Manchester Science Park and then through ownership of Alderley Park. This became a significant part of the Bruntwood business and opportunity for growth, and a new Joint Venture was created with Legal and General Capital in September 2018. Bruntwood SciTech has a goal to create a network of thriving innovation districts across the UK and plans that would see our asset base grow from £880.4m to £2bn over the next 5 years. The business continues to grow new opportunities in new markets and these grow from our experience of creating partnerships, particularly with academic and clinical institutions and local government.

In 2023 Bruntwood SciTech will continue to focus on its core priorities:

- Driving operational performance in existing cities and locations
- Growing the existing portfolio to meet customer demand
- Supporting customer growth through the evolution of the SciTech network and ecosystem
- Developing opportunities for expansion into new cities

Bruntwood SciTech as part of Bruntwood Group benefits from an established and well tested business model - comprising our purpose, brand and values, products, commercial and operational models and systems and processes. This continues to evolve but creates efficiency for Bruntwood SciTech allowing the business to gain from the expertise and activity of Bruntwood.

The Bruntwood Group was set up 46 years ago and is now a leading regional property company. The business develops, owns and manages a portfolio of commercial property across Greater Manchester, Leeds, Liverpool and Birmingham. The business has always taken a long term view of investment and has derived real value in working across the whole property ownership lifecycle. Bruntwood has a deep commitment to the success of the cities in which it operates, playing an important part in their growth - economically and socially. Creating thriving cities has always been at the heart of the business's ambitions. The focus on customers has been a key part of the Bruntwood offer, innovating and providing services and experiences ahead of the market throughout its 46 year history. The focus on flexible products, the ability to support individual businesses as they grow and create a true sense of business community is central to the proposition. The business's 666 colleagues and unique culture are arguably Bruntwood's greatest asset. The approach to insourcing and growing talent provides real competitive advantage, allowing the business to get close to customers and deliver what they need when they need it.

Bruntwood SciTech equally realises the benefits of being part of the Legal & General Group, which holds a strong and established brand presence in the sector. Legal & General is one of the UK's leading financial services groups and a major global investor. With over £1.2 trillion in total assets under management, Legal & General is the UK's largest investment manager for corporate pension schemes. Bruntwood SciTech is part of Legal & General Capital (LGC), the Group's alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted shareholder returns. LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Bruntwood SciTech benefits from LGC's approach to investing in the real economy which sees the creation of alternative assets that deliver a tangible societal impact; "investing society's capital for society's benefit".

SECTION 172

The revised UK Corporate Governance Code requires Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('s172') when performing their duty to promote the success of the Company under s172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This s172 statement explains how Bruntwood SciTech Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

STRATEGIC REPORT (CONTINUED)
For the Year Ended 30 September 2022

SECTION 172

Section 172	
(a) The likely consequence of any decision in the long term	<p>The Group undertakes a robust business planning process on an annual basis with a five year plan approved by the board. Performance against this is monitored by the board on a quarterly basis, on an operational and financial level. The board considers capital allocation as part of the planning process, including triggers for approval of specific capital spend. The board monitors the risk levels of its deployment of capital, against pre-agreed levels.</p> <p>The Group is funded via a mix of medium and longer term funding, spreading the refinancing risk. The Group reviews future financing requirements quarterly, alongside clear targets for financial resilience.</p>
(b) The interest of the company's employees	<p>The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the company. There are a number of formal and informal mechanisms for ensuring two-way employee communication, including an annual engagement survey, frequent pulse surveys to provide feedback on different topics affecting employees, listening forums, peer learning groups, leadership podcasts, monthly newsletters, an annual 'all colleague' conference and use of our new communications platform B-Hive. Our engagement activity this year has been highly focused on offering wellbeing benefits and initiatives, reward and recognition and ensuring all colleagues have a full understanding of our strategic priorities and the part they play in helping the organisation to achieve these.</p> <p>Since launching our Diversity & Inclusion strategy in 2019, the Group has worked to build our culture of inclusion and to bring our colleagues back together following the disruption of lockdowns. We have worked to amplify our colleagues' voices, and introduced a new Allyship programme to help us. The programme to achieve the targets we have set ourselves is well underway, with an initial focus on changing how we recruit. This has been coupled with a continued emphasis on providing opportunity; through Apprenticeships, placements and our volunteering with schools.</p> <p>The Group continues membership and strong links with the Greater Manchester Good Employer Charter which reflects the strength of our employment practices. We are also proud to be accredited by the Real Living Wage foundation. This focus on fair and good employment has supported our work on gender equality, and while there is still more to do, we were pleased to see our Gender Median Gap at 0% for April 2021. The next review of our performance in this area will take place in March 2023.</p>
(c) The need to foster the company's business relationships with suppliers, customers and others	<p>Our overarching purpose Creating Thriving Cities sees us doing more than just developing individual buildings but contributing fully to making cities that work for people and businesses. Delivering this purpose requires strong and mutually beneficial relationships with our customers, suppliers and other key stakeholders.</p> <p>The shareholders and key management personnel recognise the importance of shaping the cities we live in, we contribute as individuals too - helping to shape the communities we're in by offering our talent and energy to everything from shaping a city's long-term strategy to helping young people from deprived communities write their CVs.</p>

STRATEGIC REPORT (CONTINUED)
For the Year Ended 30 September 2022

<p>(c) The need to foster the company's business relationships with suppliers, customers and others (continued)</p>	<p>The Group conducts regular customer engagement surveys to determine the Net Promoter Score (NPS) of the Group. The results are reviewed by the Board on a regular basis. Additionally, the Group's internal customer experience team carry out regular internal customer interview and mystery shopper exercises to ensure the Group is engaging with customers in the best possible way.</p> <p>This year we've delivered a 18% response rate against a target of 15%. The Customer Satisfaction score (CSAT) was 4.24 (vs target of 4.2) and the Customer Effort score (CES) was 2.20 (vs target of <2.75) - low scores represent lower effort.</p> <p>The group now also has an embedded Voice of the Customer (VOC) programme. The VOC programme is a customer insights programme that is divisionally aligned with the same overarching objectives. The VOC programme allows us to gain and act on customers feedback against crucial stages of their experience with us. The programme incorporates both internal customer insights and external research to help shape customer-led decision making at a senior level in the business, it allows us to be agile in how we approach the ever-changing market and provides invaluable continuous improvement insights which feeds into improvement initiatives.</p> <p>A key element of the VOC programme is to balance internal and external insights, understand our own customer needs against the market and to anticipate the evolution in our products and services to meet the changing needs of our customers. This allows us to sculpt the future of the Bruntwood experience and stay competitive in the market.</p> <p>Our Customer Relationship Management (CRM) tool, Salesforce, is used as a central source of insights capture. With every customer interaction stored against the specific customer account, this allows us to foster and strengthen relationships with our customers through having deeper, richer conversations.</p> <p>The VOC includes:</p> <ul style="list-style-type: none"> -Automated and manual feedback loops -Deep dives into specific topics or market trends -Mystery shopping and quality assurance checks -Customer forums & panels -Customer and colleague interviews <p>The Board reviews and approves the Group's Supplier Management policy on an annual basis. The Board continuously assesses the priorities of those we do business with, reflected in one of our underlying values 'Be brilliant to work with'. We act with integrity, respect and a passion for collaboration, as we know the greatest outcomes benefit everyone.</p>
<p>(d) The impact of the company's operations on the community and environment</p>	<p>As a business, we can only help to create thriving cities if we deliver sustainable and environmentally-conscious spaces that support the wellbeing of our customers, communities and colleagues. That's why we are embedding a culture of sustainability across all our ways of working in order to limit our impact on global warming and mitigate the effects of climate change.</p> <p>In October 2018, Bruntwood became the first commercial property partner to sign the UKGBC's Advancing Net Zero commitment, dedicating ourselves to operating at net zero carbon by 2030. To further demonstrate our support for a more sustainable built environment, we are now a founding signatory to the WGB's Net Zero Carbon Buildings Commitment, pledging to take increased action on our embodied carbon emissions as well.</p>

STRATEGIC REPORT (CONTINUED)
For the Year Ended 30 September 2022

<p>(d) The impact of the company's operations on the community and environment (continued)</p>	<p>Along with these commitments, we will also be advocating others to do the same by helping our customers and communities become more aware of their carbon emissions, and supporting them to take action.</p> <p>Working with the Carbon Trust, we have developed our own science based targets, creating a 'carbon budget' for the business to support the Paris Agreement global target of restricting global warming to 1.5°C above pre-industrial levels.</p> <p>We pledged that all areas under our direct control - this means our common parts, our own offices and our vehicle fleet - will operate at net zero carbon by 2030.</p> <p>While our primary focus has been on our own emissions and what we can do to reduce these to reach our net zero carbon targets, we're also setting targets regarding our water, waste and energy usage to further embed sustainable operations into our business. To help us understand more about these wider impacts, we've recently completed an analysis of our 'Scope 3' emissions and they make up around 96% of our total footprint, so this will be a significant focus for us going forwards.</p> <p>The Bruntwood Group partners with ambitious environmental, arts and cultural organisations that make a positive change to our communities. Partnerships include bluesdot, Grand Union, Leeds International Festival, InnovateHer and Enterprise Nation.</p>
<p>(e) The desirability of the company maintaining a reputation for high standards of business conduct</p>	<p>The reputation of the company and maintaining high standards of business conduct are underpinned by the Group's strategy. One of the Group's values is being brilliant to work with, for customers, colleagues and suppliers.</p> <p>The Group has ambitious targets for the workforce with a good platform to build from; a gender pay gap of 10% and 40% of the Board being women. The Group launched its Diversity and Inclusion strategy in 2019, and has a clear programme underway to support the achievement of the Diversity and Inclusion targets.</p>
<p>(f) The need to act fairly as between members of the company.</p>	<p>The Group's activities are directed through a single unified corporate management and control structure which is run by the board of Directors (the "Group Board"). The Group Board is responsible for designing and managing the strategic direction of the Bruntwood SciTech Group, major funding and acquisition decisions and controlling the corporate management and operational structure of the Group. The Group Board contains C-Suite executives from the SciTech Group, and members from both joint venture partners.</p>

STRATEGIC REPORT (CONTINUED)
For the Year Ended 30 September 2022

REVIEW OF THE BUSINESS

Financial highlights for the year ended 30 September 2022 are:

- Profit before tax £114.0m (2021): £17.1m)
- Net asset increase of 36.7% to £319.4m (2021): £233.6m)
- Turnover up 38.6% to £71.7m (2021): £51.8m)
- Gearing at 33% (2021: 36%)

Bruntwood SciTech continued its strong performance in the year, with a number of notable highlights, including the acquisition of Glasgow's iconic Met Tower, seeing the company make its first investment in Scotland. Bruntwood SciTech acquired the site in May for £16.2m and immediately announced a £60m investment to transform it into a new hub for tech and digital businesses in the heart of the Glasgow City Innovation District. Plans will see the 14 storey, Grade B listed, old City of Glasgow College building redeveloped into a 113,000 sq ft hub for university spinouts, startups, scaleups, and large tech businesses to co-locate together, whilst to the rear of the site an interconnecting new building will be constructed to scale the tech cluster even further. Consultation events have been held with enabling works due to commence from January 2023.

It was also the year that Bruntwood SciTech's growth in Manchester saw the completion of the second phase of Manchester Science Park's masterplan. The five-storey, 91,000 sq ft development of Base started in December 2020 at the height of the pandemic and completed only a few weeks after its pre-pandemic predicted completion date, one of the first Government supported Getting Building Fund 'shovel-ready' projects to do so. Purpose-built for companies working in high growth Industry 4.0 tech and offering dedicated prototyping makerspace, and those training the next generation of highly skilled, specialist talent to support such businesses, Base will be home to companies working in areas such as low carbon, light manufacturing, computer and energy technology, gaming, and animation. The campus also saw a refurbishment of Skelton House to create a 43,000 sq ft global hub for international molecular diagnostics group Yourgene Health, a long standing customer who significantly expanded its presence in Manchester following success during the COVID-19 pandemic where they developed and scaled their own PCR antigen testing method. In their time as a customer at both Manchester Science Park and Citylabs they have grown from a team of two through to the 200 strong business it is today.

At Bruntwood SciTech's other Manchester campuses, Circle Square has continued to prove popular with startups and scaleups such as leading NFT marketplace KnownOrigin, acquired this year by eBay, and is now the go-to home for high growth businesses within the digital-knowledge economy wanting to access the city's innovation district. Renewable electricity provider Octopus Energy Group secured 40,000 sq ft workspace to create their new base and 300 new jobs in Manchester, whilst America's No. 1 TV streaming platform Roku completed on 120,000 sq ft in No.1, the largest ever inward investor deal for the city. With demand continuing for the neighbourhood, plans have been announced for No.3 Circle Square which will see 264,000 sq ft office and retail space constructed as well as a new landscaped green space opposite Symphony Park. The £87m development was submitted and received planning consent in this year and will begin construction in Spring 2023. It is intended to achieve Net Zero embodied carbon during construction, BREEM Excellent status, a NABERS 5 Star rating and an EPC A rating once operational.

Since the formation of the £1.5bn ID Manchester Joint Venture with the University of Manchester announced in the summer of 2021, a great deal of work has been undertaken to begin to bring the vision to reality. Over the course of this year a number of delivery strategies have been developed including a key piece of work preparing a masterplan for the district. The masterplan will show how it will become an exemplar in inclusive innovation recognising the heritage of the site, planning for quality and sustainable public realm, and served by first class infrastructure. The masterplan will be subject to a consultation period early in 2023.

This year saw a number of new partnerships form in Manchester and Birmingham. The High Value Manufacturing Catapult selected Innovation Birmingham as its HQ and opened a NorthWest nodal hub at Circle Square in addition to its existing site at Liverpool Science Park. HVMC and two of its founding centres, the Centre for Process and Innovation (CPI) and the Manufacturing Technology Centre are now located at multiple Bruntwood SciTech campuses to access an interconnected, industry-leading ecosystem across the UK. Bruntwood SciTech launched a new fund in partnership with Greater Manchester Combined Authority, Cheshire and Warrington LEP and Praetura Ventures. The £20m GMC Life Sciences Fund is to bolster the region's flourishing life sciences sector, support innovation, create more skilled jobs, and help businesses to expand internationally. The company also set up a new partnership on its Serendip corporate innovation challenge programme with BNP Paribas Personal Finance and SuperTech West Midlands to offer 10 SMEs the opportunity to tackle three FinTech innovation challenges and gain new market and mentorship access.

STRATEGIC REPORT (CONTINUED)
For the Year Ended 30 September 2022

In Birmingham, development at the Innovation Birmingham campus has progressed at pace. Construction on Birmingham's first 'smart-enabled' building in the heart of the Knowledge Quarter, the £33m, 120,000 sq ft Enterprise Wharf reached its 'topping out' milestone in March. When it opens early next year, it will provide much needed grow-on and expansion space for larger digital and tech businesses, helping to attract significant inward investment to the region. The campus also played an important role during the Commonwealth Games, hosting delegations from across the world keen to access the West Midlands' burgeoning tech and digital sector, and in partnership with the West Midlands Growth Company offered fully funded UK market entry and soft-landing support for 30 innovative Foreign Direct Investor (FDI) companies to be based at Innovation Birmingham in the run up to and 12 months following the Games.

Across the city, Bruntwood SciTech's joint venture partnership with the University of Birmingham to develop a new 10 acre life sciences campus for the Midlands also continued to develop and evolve at pace. The first phase of the £210m Birmingham Health Innovation Campus and its new healthcare technologies cluster, No.1 BHIC, marked its 'topping out' in September. Due to complete in September 2023 the 133,000 sq ft No.1 BHIC has already been confirmed to be the future home of the University of Birmingham's Precision Health Technologies Accelerator (PHTA) and Birmingham Precision Medicine Centre which will provide opportunities for pioneering R&D startups to colocate and collaborate with scale up and larger life science businesses.

Alderley Park, the UK's largest single-site life sciences campus, completed and launched 86,000 sq ft of lab space in a £20m redevelopment of existing space to create high-specification biology and chemistry containment level two (CL2) labs. The redevelopment forms part of the Park's £247m masterplan, which this year also saw planning submitted for an additional 200,000 sq ft of specialist CL2 lab and office space, bringing two new buildings to the campus, the first new build commercial spaces to be delivered since acquiring the site in 2014. Alderley Park continues to offer best-in-class life science and tech facilities to support such businesses and this year saw a number of exciting new companies relocate or expand at the Park. Leading game art studio Airship Interactive announced their new HQ in 15,000 sq ft at Glassthouse and will create 200 jobs in the next three years, multi-national cloud solutions provider SAP selected Glassthouse as its North of England hub for over 100 employees, and global cell and gene therapy business Charles River chose 17,000 sq ft for their highly specialist lab space in Mereside. These companies are colocated alongside more than 250 businesses now based at the Park, such as Sai Life Sciences, one of the fastest growing global contract research, development and manufacturing organisations, who this year expanded with a four-fold increase in their space requirements from 5,000 to 20,000 sq ft. Alderley Park continued to support the fight against Covid-19 and during the UK Government's mass Covid-19 PCR testing programme the Alderley Park Lighthouse Lab processed over 23 million PCR test samples and trained over 1,000 early career scientists.

In Leeds, support for one of the UK's fastest growing tech sectors continued to gain momentum at Platform. In March, Bruntwood SciTech became a partner and supported LegalTech in Leeds to bring together the legal and digital sectors in the Leeds City Region and help drive digital adoption, improve access to legal services, and support entrepreneurs seeking to work in LegalTech. A Female Founders Incubator programme was launched to support early stage tech female founders with mentoring from successful founders and CEOs, professional support across a range of disciplines and desk space provided in the city's dedicated specialist startup Tech Hub. A Skills Marketplace also ran to help companies find tech talent of the future, and upskill existing talent.

KEY PERFORMANCE INDICATORS

- Deliver a sustainable net worth growth over time, via a combination of both income and capital returns, whilst generating positive cash flows for reinvestment and asset growth. Net worth for 2022 is £319.4m a 36.7% increase on 2021.
- Maintain appropriate levels of gearing and net debt, whilst delivering growth within the Group. Gearing stood at 33% in 2022, comparable to 36% in 2021. Net debt was £293m compared to £239m.
- Improve relationships with customers and strive for increases in net promoter scores. Our Bruntwood Works net promoter score (NPS) at year end was +36, deemed 'very good' in the B2B sector. We are moving towards a soft BPS score in the future, capturing this KPI at each stage of our customer journey.
- Attract and retain the best employees, encouraging training, development and career progression.

BRUNTWOOD SCIENCE LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 30 September 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The most significant external risk currently facing the Group, impacting customers, colleagues and suppliers, is the conflict which continues following the Russian invasion of Ukraine, which has contributed to significant macro - economic volatility and uncertainty with high levels of inflation and increasing interest rates currently being experienced. The Group continues to monitor these situations closely.

More specifically the Group is affected by changes in sentiment in the investment and occupier markets in which it operates. The primary factors are the level of customer demand for commercial property (which in turn is dependant on the economic success of the city regions) which dictates occupancy and rental levels, the investor demand for property which dictates the value put on those rental levels and the supply of property which is a function of the level of development activity. In turn, these micro factors are impacted by the macro factors in the wider economy, particularly levels of GDP, inflation and interest rate levels.

The directors consider the Group's concentration of offices in strategic city regions to be one of its key strengths. The Group has 46 years of focused experience within this market that allows it to react quickly to changing market conditions and customer needs. The directors believe that the scale of the business, its flexible approach to customers, and enhanced service offer provides a competitive advantage and enables the Group to pro actively mitigate these risks. With an ambitious plan to grow the business it remains important that the Group continues with its policy of investing in its people and systems and encouraging innovation and creativity in its approach.

As with any property company that is substantially debt financed the directors consider one of the key financial risks to be the ability of the Group to meet the covenant requirements of all borrowing facilities, and to successfully refinance borrowing facilities at their maturity date. The directors regularly review compliance with the covenants and the Group is proud that it has not breached any financial covenant in its 46 year history. The Group have modelled the impact on loan covenants of reduced income and significant decreases in valuations of properties. There are no covenant breaches forecast.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



C. G. Oglesby - Director

31 January 2023

BRUNTWOOD SCIENCE LIMITED

REPORT OF DIRECTORS

For the Year Ended 30 September 2022

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 30 September 2022.

GOING CONCERN

The directors have assessed the impact of the current uncertainty on all aspects of the business, focussing specifically on operations and cashflows of the Group to cover the period of not less than 12 months from the date of the signing of these financial statements. This stress-testing included assessing the levels of cash and available finance within the Group assuming a reduction in turnover on the basis of customer default or payment plans, reduced lettings and increased vacations at break and expiry. This has been offset by factoring in identified savings in operational expenditure, and a review and possible cuts of uncommitted capital expenditure where necessary.

The directors have also considered the ongoing availability of finance by modelling the impact on loan covenants of reduced income and significant decreases in valuations of properties. Even considering downside scenarios there are no covenant breaches forecast.

Based on reviewing these forecasts and sensitivities the directors have concluded that the Group is a going concern and accordingly have prepared the financial statements on this basis. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

We continue to monitor impact of the Russian invasion of Ukraine on macro-economic volatility.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

i) Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. Exposure to interest rate risk is managed in two ways, firstly by securing low borrowing margins and secondly by hedging the Group's variable interest rate exposure.

ii) Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

iii) Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Strategic Report on pages 4 to 10.

DIVIDENDS

No dividends have been paid or proposed for the year ended 30 September 2022 (2021: £nil).

BRUNTWOOD SCIENCE LIMITED

REPORT OF DIRECTORS (CONTINUED) For the Year Ended 30 September 2022

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

C Oglesby

K Lawlor

P Crowther

K MacKay

B Topps

Other changes in directors holding office are as follows;

D Hardman - resigned 31 December 2021

T Renn - resigned 15 October 2021

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors and the directors of its subsidiaries which were made during the year and remain in force at the date of this report.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEES

The group employed an average of 71 people during the year ended 30 September 2022 (2021: 60). Further details of employment costs can be found in the notes to the financial statements.

All employees are eligible to join the Group's contributory pension scheme. The Group's all employee share ownership scheme is open to all employees who have completed one year of employment. Each year the company sets aside reserves out of profits to meet both these liabilities and those of the directors' share option scheme and at 30 September 2022 the cumulative value amounted to £0.6m (2021: £0.3m).

HEALTH AND SAFETY

Across the Group a program of continuous improvement is implemented to reduce health and safety risks in all buildings on a prioritised basis to ensure cost effective and pragmatic risk management. There is a rolling program of required statutory inspections and risk assessments to ensure safe buildings for our customers, employees, contractors and visitors. All employees receive tailored health and safety training to undertake their role to minimise the risk of adverse health effects or injury. The reporting of all incidents including near-misses and hazard identification is encouraged in order to learn lessons wherever possible. Despite the wide range of refurbishment, development and facilities management activities undertaken by Bruntwood and its contractors there have been no Prohibition or Improvement Notices issued during the year by the Health & Safety Executive.

ENERGY AND CARBON REPORTING

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended. The GHG Protocol Corporate Accounting and Reporting Standard has been used throughout and we have used our monthly billing data (from both fiscal and submetered supplies) to collate the data for this report. Emissions factors have been taken from the 2021 UK Government Conversion Factors for Company Reporting.

The organisational boundary includes all of the office space that Bruntwood's own staff occupy, plus the common areas of all of our buildings. The lettable areas are excluded whether or not the sites are fully occupied. Bruntwood's vehicle fleet (whether leased or owned) is included within the organisational boundary.

REPORT OF DIRECTORS (CONTINUED)
For the Year Ended 30 September 2022

GHG emissions and energy usage

GHG emissions and energy usage data		
Mandatory Information	For period 1 October 2021 to 30 September 2022	For period 1 October 2020 to 30 September 2021
Total annual gas consumption for combustion purposes in kWh	4,509,290	3,990,611
Total annual purchased electricity consumption in kWh	8,643,660	10,357,295
Emissions from combustion of fuel for heat in tCO ₂ e (Scope 1 – now apportioned)	823	731
Emissions from combustion of fuel for transport purposes in tCO ₂ e (Scope 1)	-	-
Process/fugitive Emissions in tCO ₂ e (Scope 1)	138	285
Emissions from purchased electricity (Scope 2)	1,672	1,897
Total gross CO ₂ e based on above	2,633	2,913
Area in SQM (common parts)	101,149	74,552
Intensity ratio: chosen ratio is tCO ₂ e per M2	0.026	0.039

The intensity ratio chosen was tCO₂e per metre squared. This is the recognised intensity ratio for our sector and allows for consistent measurement over time. It should be noted that our portfolio includes both general office space and laboratory/R&D facilities and as such whole building intensities vary greatly. The significant reduction in emissions is largely driven by an increase in area and we expect to see this normalise as occupancy (particularly in new developments) increases.

In 2018, Bruntwood became the first property company in the UK to sign up to the UK Green Building Council's Net Zero Carbon commitment. Since then, we've been improving our buildings, adapting our development approach and creating policies, procedures and guidance to help us reach that goal. We reaffirmed our commitment to a net zero future in 2021, becoming a founder signatory to the World Green Building Council's Net Zero Carbon Buildings Commitment and signing up to the United Nations-backed global campaign, Race to Zero. We've also recently published our Net Zero Pathway which sets out our delivery approach and the measurement approach we will use to make sure we remain on track.

Part of this work included completing a full building efficiency audit across our entire portfolio (over 100 buildings) to develop an understanding of our existing buildings and the interventions needed to make them more energy efficient, with the goal of all of our buildings reaching net zero by 2050, as well as meeting legislative requirements such as the Minimum Energy Efficiency Standards – which requires an EPC B rating by 2030. This programme will influence building-level initiatives, so each building has a bespoke net zero plan. It should also position us ahead of additional future regulations such as those that arise from the 'Future Buildings Standard' consultation.

Similarly, in order to help decarbonise our energy supply, Bruntwood has purchased an industry-first 42.4% share in Kirk Hill wind farm. That means that from the end of 2023, the majority of the power that we need to operate our own offices and common spaces will be supplied by renewable energy – a huge milestone in getting us towards our net zero goals.

We can also now see some of our sustainable development plans starting to materialise and in Spring we opened BASE, our first building designed to operate at Net Zero Carbon across communal areas. Sustainability measures at the building include an A-rated EPC, 704m² of PV solar power, a hybrid heating and cooling system with a significant reduction in refrigerant gases, and 360m² of recycled carpet which has been converted into alternative flooring finishes. On the refurbishment side, we also announced the acquisition of Met Tower in Glasgow which is now being redeveloped into world-class office space, which is net zero carbon in operation, and purpose-built to provide unrivalled support to Glasgow's growing cluster of digital and tech businesses, as well as tech companies looking to establish themselves in the city.

Other notable highlights included announcing our partnership with Liftshare who are the UK's leading car share provider. Their platform connects drivers and passengers via an app to provide a more sustainable way to travel by reducing the number of cars on the road; receiving planning approval to redevelop the Grade II listed Pall Mall in the heart of Manchester city centre. Pall Mall will be Manchester's first workspace aimed at the 'consciously minded' and become a home for businesses that demonstrate strong Environmental, Social and Governance (ESG) credentials; and becoming a partner in the UKGBC's Physical Risk Labs Project. Understanding the risk that climate change poses to our business is essential to our role as a responsible investor, developer and asset manager, so will an increasing focus for our business.

BRUNTWOOD SCIENCE LIMITED

REPORT OF DIRECTORS (CONTINUED)
For the Year Ended 30 September 2022

Pall Mall will be Manchester's first workspace aimed at the 'consciously minded' and become a home for businesses that demonstrate strong Environmental, Social and Governance (ESG) credentials; and becoming a partner in the UKGBC's Physical Risk Labs Project. Understanding the risk that climate change poses to our business is essential to our role as a responsible investor, developer and asset manager, so will an increasing focus for our business.

AUDITOR

Each of the directors at the date of approval of this report confirms that:

(i) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(ii) the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



C G Oglesby - Director

31 January 2023

BRUNTWOOD SCIENCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT For the Year Ended 30 September 2022

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUNTWOOD SCIENCE LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

In our opinion the financial statements of Bruntwood Science Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise: the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, the consolidated cash flow statement and the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our evaluation of the directors' assessment of the group's and parent company's ability to adopt the going concern basis of accounting included:

- A review of the cash flow forecasts prepared by the Directors;
- Challenge of the assumptions used in the forecasts through performing sensitivity analysis around future profitability and cash inflows as well as around covenant head room;
- Testing of clerical accuracy of those forecasts and an assessment of the historical accuracy of forecasts prepared by management through comparison of actual results.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUNTWOOD SCIENCE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included building regulations and environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- valuation of investment property. We challenge the principal assumptions used to derive the fair value through a number of procedures. These include the review of equivalent yields against market rates, challenge of methodology by RICS certified internal experts and substantive testing of committed rent receivable.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUNTWOOD SCIENCE LIMITED (CONTINUED)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with the applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

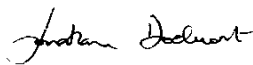
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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.



Jonathan Dodsworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham
United Kingdom
31 January 2023

BRUNTWOOD SCIENCE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the Year Ended 30 September 2022

	Note	2022 £000	2021 £000
TURNOVER	3	71,728	51,768
Cost of sales		<u>(54,942)</u>	<u>(39,088)</u>
GROSS PROFIT		16,786	12,680
Administrative expenses		<u>(15,498)</u>	<u>(12,595)</u>
OPERATING PROFIT		1,288	85
Share of results of joint ventures / associates		59	(13)
Gain on revaluation of investment property		117,036	22,836
Gain on interest rate derivatives		9,159	939
Exceptional loss	4	<u>(4,351)</u>	<u>(66)</u>
PROFIT BEFORE INTEREST AND TAX		123,191	23,781
Net interest payable	7	<u>(9,167)</u>	<u>(6,681)</u>
PROFIT BEFORE TAXATION	6	114,024	17,100
Tax on profit	8	<u>(28,249)</u>	<u>(12,771)</u>
PROFIT FOR THE FINANCIAL YEAR		85,775	4,329
Total comprehensive income for the period attributable to			
Non- controlling interest		17,445	(1,129)
Equity shareholders of the company		<u>68,330</u>	<u>5,458</u>
		85,775	4,329

CONTINUING OPERATIONS

All of the above relate to continuing operations.

There are no items of other comprehensive income in the current or prior year and therefore no separate statement of comprehensive income has been presented.

BRUNTWOOD SCIENCE LIMITED

CONSOLIDATED BALANCE SHEET
As at 30 September 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Tangible assets	11	880,481	669,521
Fixed asset investments	12		
- Investment in Joint Ventures / Associates		46	(13)
- Other investments		5,367	4,531
		<u>885,894</u>	<u>674,039</u>
CURRENT ASSETS			
Debtors: amounts receivable within one year	13	25,245	27,903
Debtors: amounts receivable after more than one year	13	22,494	6,959
Cash at bank and in hand		20,837	5,108
		<u>68,576</u>	<u>39,970</u>
CREDITORS: amounts falling due within one year	14	(275,116)	(203,191)
NET CURRENT LIABILITIES		<u>(206,540)</u>	<u>(163,221)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>679,354</u>	<u>510,818</u>
CREDITORS: amounts falling due after more than one year	15	(299,459)	(244,947)
PROVISIONS FOR LIABILITIES	17	(60,543)	(32,294)
NET ASSETS		<u><u>319,352</u></u>	<u><u>233,577</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	131,044	131,044
Profit and loss account	19	138,350	70,020
SHAREHOLDERS' FUNDS		<u>269,394</u>	<u>201,064</u>
NON CONTROLLING INTEREST	20	49,958	32,513
TOTAL CAPITAL EMPLOYED		<u><u>319,352</u></u>	<u><u>233,577</u></u>

The financial statements of Bruntwood Science Limited, company number 07737629, were approved by the Board of Directors on 31 January 2023 and were signed on its behalf by:



C G Oglesby - Director

BRUNTWOOD SCIENCE LIMITED

COMPANY BALANCE SHEET
As at 30 September 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Fixed asset investments	12		
- Investment in Subsidiaries		22,288	22,288
- Loans to Group Undertakings		271,054	229,410
- Other investments		960	960
		<u>294,302</u>	<u>252,658</u>
CURRENT ASSETS			
Debtors	13	278,951	243,540
Debtors: amounts receivable after more than one year	13	174	174
Cash at bank and in hand		1	30
		<u>279,126</u>	<u>243,744</u>
CREDITORS: amounts falling due within one year	14	<u>(166,771)</u>	<u>(127,150)</u>
NET CURRENT LIABILITIES		112,355	116,594
TOTAL ASSETS LESS CURRENT LIABILITIES		406,657	369,252
CREDITORS: amounts falling due after more than one year	15	<u>(278,736)</u>	<u>(241,332)</u>
NET ASSETS		<u><u>127,921</u></u>	<u><u>127,920</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	131,044	131,044
Profit and loss account	19	(3,123)	(3,124)
SHAREHOLDERS' FUNDS		<u><u>127,921</u></u>	<u><u>127,920</u></u>

The profit for the financial year in the financial statements of the parent company was £1,000 (2021: £nil).

The financial statements of Bruntwood Science Limited, company number 07737629, were approved by the Board of Directors on 31 January 2023 and were signed on its behalf by:



C G Oglesby - Director

BRUNTWOOD SCIENCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2022

	Called up share capital £000	Profit and loss account £000	Non- controlling interest £000	Total equity £000
At 1 October 2020	131,044	64,562	33,642	229,248
Profit/(loss) for the financial year	-	5,458	(1,129)	4,329
Total comprehensive (expense)/income	-	5,458	(1,129)	4,329
At 30 September 2021	<u>131,044</u>	<u>70,020</u>	<u>32,513</u>	<u>233,577</u>
Profit for the financial year	-	68,330	17,445	85,775
Total comprehensive income	-	68,330	17,445	85,775
At 30 September 2022	<u>131,044</u>	<u>138,350</u>	<u>49,958</u>	<u>319,352</u>

BRUNTWOOD SCIENCE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 October 2020	131,044	(3,124)	127,920
Results for the financial year	-	-	-
Total comprehensive income	-	-	-
At 30 September 2021	<u>131,044</u>	<u>(3,124)</u>	<u>127,920</u>
Profit for the financial year	-	1	1
Total comprehensive income	-	1	1
At 30 September 2022	<u>131,044</u>	<u>(3,123)</u>	<u>127,921</u>

BRUNTWOOD SCIENCE LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 30 September 2022

	Note	2022 £000	2021 £000
Cash flows from/(used in) operating activities			
Taxation paid	21	50,932	58,579
		(160)	(1,041)
Net cash generated from operating activities		<u>50,772</u>	<u>57,538</u>
Cash flows from/(used in) investing activities			
Distributions from investments		129	
Purchase of tangible fixed assets		(109,258)	(104,830)
Acquisition of associate		-	(2,000)
Purchase of investments		(836)	(549)
Disposal of listed investment/ investment properties		6,715	2,434
Net cash flows used in investing activities		<u>(103,250)</u>	<u>(104,945)</u>
Cash flows (used in)/from financing activities			
Net interest paid		(7,828)	(5,343)
Drawdown of bank loans		36,000	67,190
Drawdown of other loans		32,097	-
Repayment of other loans		-	(24,436)
Expenses incurred on loans		(443)	(2,586)
Grant income received		8,381	8,642
Net cash generated from financing activities		<u>68,207</u>	<u>43,467</u>
Net increase/ (decrease) in cash and cash equivalents		<u>15,729</u>	<u>(3,940)</u>
Cash and cash equivalents at beginning of year		<u>5,108</u>	<u>9,048</u>
Cash and cash equivalents at end of year		<u>20,837</u>	<u>5,108</u>

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended 30 September 2022

1 ACCOUNTING POLICIES

General information and basis of accounting

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

Bruntwood Science Limited (the company) is a company incorporated in the United Kingdom under the Companies Act. The address of the company's registered office is shown on page 1.

The principal activities of the company and its subsidiaries (together the group) and the nature of the group's operations are set out in the Strategic Report on pages 4 to 10.

The company is a private company limited by shares and is registered in England.

The financial statements are prepared under the historical cost convention modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Bruntwood Science Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to the presentation of a cash flow.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 10. The Strategic Report describes the financial position of the group, its borrowing facilities, its financial risk management objectives and its financial instruments and hedging activities.

As highlighted in notes 15 & 16 to the financial statements, the group meets its funding requirements through a combination of bank loan facilities and shareholder funding.

The directors have assessed the impact of the current uncertainty around Covid on all aspects of the business, focussing specifically on the operations and cashflows of the Group. This stress-testing included assessing the levels of cash and available finance within the Group assuming a very significant reduction in turnover on the basis of customer default or payment plans, reduced lettings and increased vacations at break and expiry. This has been offset by factoring in identified and actioned savings in operational expenditure, and a review of uncommitted capital expenditure where necessary.

The loans within the group's subsidiaries are subject to loan to value and interest cover covenant tests. The directors have also considered the on-going availability of finance by modelling the impact on loan covenants of reduced income and significant decreases in valuations of properties. Even considering reasonably likely downside scenarios there are no covenant breaches forecast. At year end the group had £20.8m of cash deposits.

The directors have received confirmation that Bruntwood SciTech will continue to provide the necessary level of support to enable it to operate for the foreseeable future. In considering the ability of the JV partner to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of the holding companies forecasts, the continuing availability of their facilities and their strategic and contingent plans, including scenario planning in light of Covid.

Basis of consolidation

The group financial statements consolidate the financial results of Bruntwood Science Limited and its subsidiary undertakings drawn up to 30 September 2021. The results of subsidiary undertakings acquired or disposed of in the period are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. All intra-group transactions, balances, expenses and income are eliminated on consolidation. Transitional relief per Section 35 of FRS 102 has been applied in these financial statements in respect of business combinations effected prior to the date of transition.

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the Year Ended 30 September 2022

1 ACCOUNTING POLICIES (CONTINUED)

Turnover

Turnover represents property rental, service charge, associated income and the appropriate allocation of rental premiums, provided in the normal course of business, net of VAT. Turnover is accounted for on an accruals basis and amounts invoiced in advance relating to the next accounting period are included in deferred income within the balance sheet. Trading property sales are accounted for on a legal completion basis.

Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Government grants received in respect of operational fixed assets are credited to a deferred income account and released to the profit and loss account over the useful economic life of the asset to which they relate.

Government grants received on the construction of investment properties are credited to a deferred income account.

In response to the Covid-19 pandemic the business took advantage of the Coronavirus Job Retention Scheme which resulted in the business receiving a government grant to cover the salary costs of a number of employees. The receipt was recognised in the profit and loss.

Disposal of investment properties

The profit or loss on disposal of investment properties are reported separately within the consolidated profit and loss, in accordance with Section 5 of FRS 102. Profit or loss is calculated as net proceeds less book value at the time of disposal. The profit or loss on disposal is recognised upon legal completion.

Bank borrowings and finance costs

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. In accordance with Section 11 of FRS 102, finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Fixed assets (excluding investment properties)

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

- Fixtures, fitting & IT equipment on straight line basis
- Motor vehicles 25% - 30% on reducing balance
- Plant & machinery - 7% on reducing balance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

1 ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties for which fair value can be measured reliably without undue cost and effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Properties in the course of development are included in the balance sheet at cost subject to provisions if the directors deem relevant. Cost includes interest and directly attributable overheads whilst the property is in the course of development.

Intangible fixed assets – Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life.

Negative goodwill is included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair value of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Joint ventures

Joint ventures are accounted for using the gross equity method. The consolidated profit and loss account includes the group's share of the joint venture's operating profit, interest and tax while the group's net share of the assets and liabilities of the joint venture are shown in the consolidated balance sheet.

Associates

In the group financial statements investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associate.

Fixed asset investments

Fixed asset investments are shown in the accounts at cost less any provisions for impairment.

Current asset investments

Current asset investments are initially measured at cost then remeasured to fair value at each year end, with any gain or loss recognised in the profit and loss account.

Development in progress

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payment on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

I ACCOUNTING POLICIES (CONTINUED)

Warranties

Provisions for the expected cost of warranty obligations are recognised at the balance sheet date, at the directors' best estimate of the expenditure required to settle the group's obligation.

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

ii. Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. Hedge accounting for derivatives is not adopted.

iii. Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

1 ACCOUNTING POLICIES (CONTINUED)

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term. The transitional exemption available in respect of incentives offered for leases entered into before the date of transition to FRS 102 has been applied.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charge on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pensions

The group makes discretionary contributions to personal pension plans in respect of all employees. The amount charged to the profit and loss account in respect of the pension cost are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

Share based payments

Fair value is measured by reference to the net assets of the group at year end less a discount for a non-controlling interest in a private company. The group has a choice to issue either cash-settled share-based or equity-settled share based payments to certain employees. Given the lack of a readily available market for the shares they are accounted for as cash settled and as such a liability equal to the portion of the employment services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

Taxation

Current 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 all 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 group'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 when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the group has a legally enforceable right to offset current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Investment Properties

A key source of estimation uncertainty relates to the valuation of investment properties, where a valuation is obtained annually, either by professionally qualified external valuers, or by the group's own internal qualified staff. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. Key assumptions applied to the valuations are inherently subjective and so are subject to a degree of uncertainty, the key assumptions applied are described in further detail below.

A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations.

The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions. The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation outputs, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset. The reversionary yield is the return received from an asset once the estimated rental value has been captured on today's assessment of market value.

Value of investment property as at 30 September 2022 is £858.4m (2021: £647.4m). Further information can be found in note 11.

Exceptional Items

Costs that are incurred and are deemed to be either one off in nature, outside the normal course of business and of a material nature are presented separately on the face of the profit and loss account with an accompanying note (note 4).

Critical Accounting Judgements

The directors do not consider there to be any critical accounting judgements in preparing these financial statements.

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the Year Ended 30 September 2022

3 TURNOVER

	2022	2021
	£000	£000
Rental and related income	58,543	36,893
Service charge income	13,185	14,875
	<u>71,728</u>	<u>51,768</u>

All turnover arises from the group's principal activity in the United Kingdom and excludes Value Added Tax. Items billed in advance/arrears are carried forward/carried back in order that the revenue is recognised in the period in which the service is provided.

4 EXCEPTIONAL PROFIT AND LOSS

In January 2022, Alderley Park Limited sold land to PH Homes for £14.3m (50% of proceeds deferred). After fees, this resulted in a loss of £2.0m.

In September 2022, ID Manchester Limited wrote off costs incurred with the set up of ID Manchester Limited amounting to £2.3m.

In January 2021, Alderley Park Limited sold Alderley House land to PH Homes for £2.8m. After fees, this resulted in a loss of £61.4k.

In September 2021, Innovation Birmingham Limited wrote off the Lux TSI investment, incurring of a loss of £4.2k.

5 INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES

	Average	Average
	2022	2021
Average monthly number of persons employed (including directors)	71	60
Administration and management	<u>71</u>	<u>60</u>

The company itself has no employees, other than the directors (2021: nil).

	2022	2021
	£000	£000
Staff costs during the year (including directors)		
Wages and salaries	6,322	5,538
Social security costs	763	638
All Employee Share Ownership Plan	454	214
Pension costs	377	330
	<u>7,916</u>	<u>6,720</u>

The directors' remuneration in the current year was paid by Bruntwood Science Management Services Limited. Directors are remunerated for their services to group as a whole as it is not practicable to allocate between subsidiary companies.

The directors of the company are considered by the group to be key management personnel.

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2022 £000	2021 £000
Profit on ordinary activities before taxation is stated after (charging)/crediting:		
Depreciation	(2,475)	(1,933)
Amortisation of grants	771	978
Rent paid on operating leases	(648)	(605)
Gain on revaluation of investment properties	117,036	22,836
Gain on interest rate derivatives	9,159	939
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual accounts	19	14
Fees payable to the company's auditor and their associates for other services to the group	-	-
- The audit of the company's subsidiaries pursuant to legislation	211	170
Non-audit fees		
- Other non-audit fees	324	126

Other non-audit fees are in relation to real estate services in both years.

The disclosures above are for the group. The company is not required, in its individual financial statements, to disclose separately information about fees for non-audit services provided to the company because the consolidated financial statements are required to disclose such fees on a consolidated basis.

7 FINANCE COSTS (NET)

	2022 £000	2021 £000
Investment income		
Deposit account interest	145	-
Interest payable and similar expenses		
Bank loans and overdraft	9,270	6,461
Other interest and finance costs	42	220
	<u>9,312</u>	<u>6,681</u>
Finance costs (net)	<u>9,167</u>	<u>6,681</u>

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the Year Ended 30 September 2022

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2022 £000	2021 £000
Corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Timing differences, origination and reversal	28,750	4,571
Adjustments in respect of previous periods	(501)	451
Effect of change in taxation rate	-	7,749
Total deferred tax charge	28,249	12,771
Total tax on profit	<u>28,249</u>	<u>12,771</u>

Factors affecting the tax charge

	2022 £000	2021 £000
Profit on ordinary activities before tax	114,024	17,100
Tax on profit on ordinary activities at standard rate of 19% (2021: 19%)	21,665	3,249
Factors affecting the charge:		
Non taxable income	(74)	(74)
Disallowable expenses	198	147
Interest payable in tax computation not in accounts	(922)	(540)
Group relief surrendered for nil payment	723	432
Corporate Interest Restriction	-	646
Joint ventures	174	-
Adjustment to tax charge in respect of previous periods - deferred	(501)	451
Difference in tax rate	6,900	7,749
Differences on chargeable gain calculations not recognised in deferred tax	86	711
Total tax charge for the year	<u>28,249</u>	<u>12,771</u>

On 3 March 2021, the UK Chancellor announced that the main rate of UK Corporation tax would increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. Accordingly, all deferred tax assets and liabilities have been calculated on the basis that they reverse in future at the 25% tax rate (PY: calculated at the 25% tax rate).

Bruntwood Science Limited is a 100% UK domiciled group.

9 PROFIT OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,000 (2021: £nil).

10 DIVIDENDS PAID

No dividend was paid or proposed during the year ended 30 September 2022 (2021: £nil).

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the Year Ended 30 September 2022

Group	Investment Properties		Fixtures, Fittings & IT equipment £000	Motor vehicles £000	Plant & Machinery	Total £000
	Freehold £000	Long leasehold £000				
COST OR VALUATION						
At 1 October 2021	340,317	307,092	16,172	11	11,664	675,256
Additions	72,222	36,020	1,949	-	562	110,753
Transferred Between Group Companies	-	-	-	-	-	-
Disposals	(14,325)	-	(32)	-	-	(14,357)
Revaluation	58,821	58,215	-	-	-	117,036
At 30 September 2022	457,035	401,327	18,089	11	12,226	888,688
DEPRECIATION						
At 1 October 2021	-	-	5,724	11	-	5,735
Charge for year	-	-	1,870	-	605	2,475
Disposals	-	-	(3)	-	-	(3)
At 30 September 2022	-	-	7,591	11	605	8,207
NET BOOK VALUE						
At 30 September 2022	457,035	401,327	10,498	-	11,621	880,481
At 30 September 2021	340,317	307,092	10,448	-	11,664	669,521

The historical cost of the group properties at the year end is £301.0m (2021: £243.9m) for freehold properties and £246.7m (2021: £211.0m) for leasehold properties. Other fixed assets are stated at cost.

Investment properties include capitalised interest in aggregate amounting to £4.0m (2021: £2.9m)

The freehold and leasehold investment properties were valued as at 30 September 2022 by our external valuers CBRE. The valuations were undertaken in accordance with 'Red Book Principles' and were conducted on the basis of Market Value. The process included an independent senior partner review.

The Directors' Valuation Panel of the company also undertook a detailed valuation appraisal of all of the group's properties on a customer by customer basis using the same methodology as the external valuer and concur with their valuation of the portfolio which has been adopted in these accounts. The Directors' Valuation Panel comprises of the following:

C G Oglesby, Chief Executive Officer, Bruntwood Limited, qualified as a Chartered Surveyor in 1993 and has 33 years' experience in the property investment industry.

P A Crowther, Property Director, Bruntwood Science Limited, qualified as a Chartered Surveyor in 2000 and has 27 years' experience in the property investment industry.

K J Crotty, Chief Financial Officer, Bruntwood Limited, Chartered Accountant, has 20 years' experience in the property investment industry.

Investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions. For further information please see note 2.

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the Year Ended 30 September 2022

12 FIXED ASSET INVESTMENTS

Group	Investment in Associates £000
Share of net assets as at 1 October 2021	(13)
Acquisition of associate	-
Impairment of associate	-
Share of retained profit for the year	59
Share of net assets at 30 September 2022	<u>46</u>

Investments in associates entail a 25% share in Sciottec Developments Limited.

Group	Other investments £000
Carrying value as at 1 October 2021	4,531
Additions	836
Impairment	-
Carrying value at 30 September 2022	<u>5,367</u>

Other investments are held at cost less any provision for impairment.

Company	Shares in subsidiaries £
COST AND NET BOOK VALUE	
At 1 October 2021 and 30 September 2022	<u>22,288,227</u>

Company	Investment in associates £000
Share of net assets as at 1 October 2021 and as at 30 September 2022	<u>960</u>

Company	2022 £000	2021 £000
Loans to group undertakings	<u>271,054</u>	<u>229,410</u>

The balances due from fellow group undertakings are unsecured, interest free and repayable on demand.

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

12 FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiaries	Country of Incorporation	Activity	Effective Proportion of ordinary shares held
BHC 1 Limited	England and Wales	Development company	100% ^
Birmingham Enterprise Wharf Limited	England and Wales	Development company	100% ^
Birmingham Enterprise Wharf Holdings Limited	England and Wales	Holding company	100% ^
Birmingham Health Innovation Campus Holdings Ltd	England and Wales	Holding company	100% ^
Birmingham Health Innovation Campus Limited	England and Wales	Development company	100% ^
Birmingham Science Limited	England and Wales	Holding company	100% ^
Birmingham Technology (Property) Limited	England and Wales	Dormant	100% ^
Birmingham Technology (Property One) Ltd	England and Wales	Dormant	100% ^
Birmingham Technology (Venture Capital) Ltd	England and Wales	Dormant	100% ^
Bruntwood Circle Square 1 Limited	England and Wales	Property investment	100% ^
Bruntwood Circle Square 2 Limited	England and Wales	Property investment	100% ^
Bruntwood Circle Square 4 Limited	England and Wales	Property investment	100% ^
Bruntwood Circle Square 12 Limited	England and Wales	Development company	100% ^
Bruntwood Circle Square 13 Limited	England and Wales	Development company	100% ^
Bruntwood Glasgow Science Limited	England and Wales	Holding company	100% ^
Bruntwood ID Manchester Limited	England and Wales	Holding company	100% ^
Bruntwood Met Tower Limited	England and Wales	Development company	100% ^
Bruntwood Platform Leeds Limited	England and Wales	Property investment	100% ^
Bruntwood Science Management Services Ltd	England and Wales	Management company	100% ^
Bruntwood SciTech Melbourn Limited	England and Wales	Property investment	100% ^
Circle Square Green Company Limited	England and Wales	Property investment	100% ^
Innovation Birmingham Limited	England and Wales	Property investment	100% ^
Alderley Imaging Limited	England and Wales	Dormant	77% ^
Alderley Park Holdings Limited	England and Wales	Holding company	77% ^
Alderley Park Limited	England and Wales	Property investment	77% ^
Citylabs Limited	England and Wales	Property investment	67% ^
Citylabs 3.0 Limited	England and Wales	Development company	67% ^
Citylabs 4.0 Limited	England and Wales	Development company	67% ^
Manchester Science Partnerships Limited	England and Wales	Property investment	67% ^
Manchester Technopark Limited	England and Wales	Dormant	67% ^
MI-IDEA Limited	England and Wales	Management company	67% ^
ID Manchester Limited	England and Wales	Development company	65% ^
Citylabs 2.0 Limited	England and Wales	Property investment	64% ^
Joint Ventures			
Circle Square District Holdings Company Ltd	England and Wales	Holding company	50% ^^
Circle Square District Company Ltd	England and Wales	Property development	50% * ^^
Associates			
Inflex Therapeutics Limited	England and Wales	Research and development	10% ^^^
Sciotech Developments Limited	England and Wales	Holding company	25% ^^^
Liverpool Science Park Developments Limited	England and Wales	Dormant	25% ** ^^^
Liverpool Science Park Limited	England and Wales	Property development	25% ** ^^^

* Held via 50% investment in Circle Square District Holdings Company Limited

** Held via 25% investment in Sciotech Developments Limited

^ registered address: Union, Albert Square, Manchester, England, M2 6LW

^^ registered address: The Box, Horseshoe Lane, Alderley Edge, England, SK9 7QP

^^^ registered address: Mereside, Alderley Park, Macclesfield, Cheshire, SK10 4TG

^^^^ registered address: Liverpool Science Park, 131 Mount Pleasant, Liverpool, L3 5TF

Audit exemption

The following subsidiary undertakings also consolidated at 30 September 2022 claimed exemption from audit under section 479A Companies Act 2006:

Subsidiaries	Country of Incorporation	Activity	Effective Proportion of ordinary shares held
Birmingham Science Limited	England and Wales	Holding company	100% ^
Birmingham Technology (Property) Limited	England and Wales	Dormant	100% ^
MI-IDEA Limited	England and Wales	Management company	67% ^

Bruntwood Glasgow Science Limited and Bruntwood Met Tower Limited were incorporated on 18 January 2022.

BRUNTWOOD SCIENCE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022
13 DEBTORS

	2022	Group	2022	Company
	£000	2021	£000	2021
		£000		£000
Amounts falling due within one year:				
Trade debtors	5,669	7,649	-	-
Amounts owed by group undertakings	-	-	278,736	241,332
Amounts owed by joint venture (note 24)	-	-	-	-
Amounts owed by related parties (note 24)	556	829	-	-
Other taxation and social security	971	2,254	215	2,208
Other debtors and prepayments	18,049	17,171	-	-
	<u>25,245</u>	<u>27,903</u>	<u>278,951</u>	<u>243,540</u>
Amounts falling due after more than one year:				
Other debtors	13,704	6,959	174	174
Derivative financial instruments (note 18)	8,790	-	-	-
	<u>22,494</u>	<u>6,959</u>	<u>174</u>	<u>174</u>
	<u>47,739</u>	<u>34,862</u>	<u>279,125</u>	<u>243,714</u>

The balances due from joint venture undertakings and related parties are unsecured, interest free and repayable on demand.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	Group	2022	Company
	£000	2021	£000	2021
		£000		£000
Trade creditors	1,881	3,574	-	-
Accruals and deferred income	46,624	45,355	-	-
Government grants	24,795	17,185	-	-
Other loans (note 16)	14,697	-	-	-
Amounts owed to group undertakings	165,108	123,108	166,771	127,150
Amounts owed to related parties (note 24)	5,993	4,013	-	-
Corporation tax	-	-	-	-
Other taxation and social security	-	-	-	-
Other creditors	16,018	9,956	-	-
	<u>275,116</u>	<u>203,191</u>	<u>166,771</u>	<u>127,150</u>

The balance due to group undertakings is unsecured, interest free and repayable on demand.

The government grants relate to construction of Investment Property across a number of sites. Un-amortised amounts at 30 September 2022 include £5.0m (2021: £5.0m) for the building of Birmingham Enterprise Wharf, £1.4m (2021: £1.4m) for block refurbishment projects at Alderley Park, £0.8m (2021: £0.8m) in relation to the construction of Citylabs 2.0 and £9.0m (2021: £0.9m) in relation to construction at Birmingham Health Innovation Campus.

Amortised amounts include £0.9m (2021: £1.0m) in relation to the installation of a Technology Hub incubator at Manchester Science Partnerships, £1.0m (2021: £1.2m) in relation to the installation of a Technology Hub incubator at Platform, Leeds and £2.8m (2021: £3.0m) in relation to fit-outs completed at Alderley Park. Grants are amortised in line with the useful economic life of the project. There are no unfulfilled conditions or other contingencies attaching to these grants £4.0m (2021: £4.0m) at Manchester Science Park for the building of BASE.

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	Group	2022	Company
	£000	2021	£000	2021
		£000		£000
Bank loans (note 16)	278,736	241,332	278,736	241,332
Other loans (note 16)	20,225	3,203	-	-
Derivative financial instruments (note 18)	-	369	-	-
Other creditors	498	43	-	-
	<u>299,459</u>	<u>244,947</u>	<u>278,736</u>	<u>241,332</u>

BRUNTWOOD SCIENCE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 30 September 2022

16 LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due within one year or on demand:				
Other loans maturing September 2023	14,697	-	-	-
Amounts falling due between two and five years:				
Other loans maturing October 2023	12,079	-	-	-
Other loans maturing April 2025	8,525	-	-	-
Loan facility fees	(379)	-	-	-
Other loans maturing September 2023		3,203	-	-
Loan facility fees	-	-	-	-
Bank loans maturing March 2024	280,000	244,000	280,000	244,000
Loan facility fees	(1,264)	(2,668)	(1,264)	(2,668)
	<u>313,658</u>	<u>244,335</u>	<u>278,736</u>	<u>241,332</u>

In March 2021, the group re-financed the bank loan maturing July 2022 and extended the three-year syndicated bank loan, which is secured via a first fixed charge over the commercial property held by Alderley Park Limited, Manchester Science Partnerships Limited, Bruntwood Platform Leeds Limited, Citylabs Limited, Bruntwood Circle Square 1 Limited, Bruntwood Circle Square 2 Limited, Bruntwood Circle Square 4 Limited, Bruntwood Circle Square 12 Limited, Bruntwood Circle Square 13 Limited and Bruntwood Circle Square Green Company. The total facility is £280m. Drawings on this loan stand at £280m as at 30 September 2022 (2021: £244m).

On 14 April 2022, Enterprise Wharf Limited and Birmingham Health Innovation Campus Limited agreed a development facilities of £19.6m and £24.8m respectively with Oaknorth, providing development finance for the Enterprise Wharf and Birmingham Health Innovation Campus new build schemes. Drawings total £12.1m on the funding for Enterprise Wharf as at 30 September 2022 (2021: £nil). Drawings amount of £nil in respect of Birmingham Health Innovation Campus Limited. Interest is incurred at 5.1% + Base rate and the facilities mature 18 month after first utilisation. Enterprise Wharf Limited this will be October 2023 and Birmingham Health Innovation Campus is estimated to mature May 2024.

On the 29 April 2022 the group acquired Met Tower Glasgow, and a facility of £35.3m was agreed with Oaknorth, providing development finance for the redevelopment of the building and wider site. Drawings during the year amounted to £8.5m.

On the 20 December 2019, Manchester Science Partnerships Limited agreed a development facility of £15.9m with the North West Evergreen Fund, providing development finance for the BASE new build. Drawings total £14.7m as at 30 September 2022 (2021: £3.2m). The facility matures in January 2023.

17 PROVISIONS FOR LIABILITIES

	2022	2021
	£000	£000
Deferred tax		
Capital allowances in excess of depreciation	4,535	7,003
Tax losses carried forward	(9,219)	(9,591)
Other short term timing differences	(564)	(212)
Property revaluations	66,315	38,618
Derivative contracts	2,198	(92)
Capital losses	(2,722)	(3,432)
	<u>60,543</u>	<u>32,294</u>
		Deferred tax
		£000
At 1 October 2021		32,294
Current year charge		28,750
Adjustment in respect of prior years		(501)
Effect of change in UK tax rate		-
At 30 September 2022		<u>60,543</u>

The amount of deferred tax not provided on capital losses is £nil (2021: £nil). The amount of deferred tax not provided on restrictions arising from the corporate interest restriction rules is £2.1m (2021: £3.0m).

18 DERIVATIVE FINANCIAL INSTRUMENTS

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Fair value	
	2022	2021	2022	2021	2022	2021
	%	%	£000s	£000s	£000s	£000s
Loss than 1 year	-	-	-	-	-	-
2 to 5 years		0.70%	140,000	140,000	8,790	(369)
			<u>140,000</u>	<u>140,000</u>	<u>8,790</u>	<u>(369)</u>

Interest rates swaps

On 30 September 2021, the group entered into a new interest rate swap with a principal value of £140m at a fixed interest rate charge of 0.70%. The swap expires on 19 March 2024.

The group will settle the difference between the fixed and floating interest on a net basis.

19 CALLED UP SHARE CAPITAL AND RESERVES

Group and company

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
174,159	A Ordinary	£1.00	174,159	174,159
130,869,906	B Ordinary	£1.00	130,869,906	130,869,906
			<u>131,044,065</u>	<u>131,044,065</u>

The group and company's other reserves are as follows:

The profit and loss reserve represents cumulative profit or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

20 NON-CONTROLLING INTEREST

	£000
At 1 October 2021	32,513
Share of profit for the year	17,445
At 30 September 2022	<u>49,958</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

BRUNTWOOD SCIENCE LIMITED

21 RECONCILIATION OF PROFIT BEFORE INTEREST AND TAX TO CASH FLOWS FROM OPERATING ACTIVITIES

	2022	2021
	£000	£000
Group only		
Profit before interest and tax	123,191	23,781
Adjustment for:		
Depreciation	2,475	1,933
Amortisation of grant income	(771)	(978)
Gain on revaluation of investment properties	(117,036)	(22,836)
Movement in fair value of derivative instruments	(9,159)	(939)
Exceptional loss	2,015	66
Profit on disposal of listed investments	-	-
Share of results of joint ventures / associates	(59)	13
Operating cash inflow before movement in working capital	656	1,040
Decrease/(increase) in debtors	2,999	(7,255)
Increase in creditors	47,277	64,794
Net cash generated from operating activities	50,932	58,579

22 FINANCIAL COMMITMENTS AND OPERATING LEASES

At 30 September 2022, the group had amounts contracted for but not provided for of £49.6m for capital expenditure (2021: £41.8m).

At 30 September 2022, total minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£000	£000
Leases which expire:		
Within one year	351	401
Between 1 and 5 years	1,405	1,604
After five years	37,457	42,997
	39,213	45,002

At 30 September 2022 the future minimum lease payments receivable under non-cancellable operating leases:

	2022	2021
	£000	£000
Within one year	23,906	16,444
Between 1 and 5 years	57,268	34,552
After five years	38,289	22,922
	119,463	73,918

23 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider there to be no ultimate controlling party. The immediate parent company is Bruntwood SciTech Limited (Registered office, Union, Albert Square, Manchester, M2 6LW) which is jointly owned by Bruntwood Limited and Legal and General Capital Investments Limited. The largest group of companies, of which the company is a member, that produces consolidated financial statements is Bruntwood SciTech Limited, a company incorporated in England and Wales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

BRUNTWOOD SCIENCE LIMITED

24 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption, under the terms of Section 33 FRS 102 not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year ended 30 September 2022 the group entered into the following transactions with Bruntwood Group companies, related parties by nature of Bruntwood Group being 50/50 joint venture parent of Bruntwood SciTech Group companies:

Income receivable in respect of service charge expenditure incurred on behalf of Bruntwood Group companies and internal rent;

	2022 £000	2021 £000
Aflecks Limited	165	192
Bruntwood Estates Alpha Portfolio Limited	1	-
Bruntwood Estates Beta Portfolio Limited	1	-
Bruntwood Circle Square 14 Limited	3	-
Bruntwood LG Limited	-	1
Bruntwood Management Services Limited	647	1,029
Bruntwood Meeting Rooms Limited	-	148
Unify Energy Limited (Formerly Bruntwood Energy Services Limited)	2,414	253

Expenses payable in respect of service level agreements for the provision of facilities management, utilities supply, fixed recharges in respect of overheads and project and development management;

Aflecks Limited	-	90
Bruntwood Circle Square 14 Limited	279	36
Bruntwood Management Services Limited	29,252	27,817
Unify Management Solutions Limited	334	180
Unify Energy Limited (Formerly Bruntwood Energy Services Limited)	1,630	2,770

During the year the group received income from the University of Manchester of £5,682,121 (2021: £3,597,367) in respect of rent and related income. The group incurred expenses of £3,000,000 (2021: £nil) in respect of capital expenditure. The University of Manchester is a shareholder in Manchester Science Partnerships Limited and ID Manchester Limited.

During the year group received income from the Manchester Metropolitan University of £313,074 (2021: Sales credits of £380) in respect of meeting rooms rented. Manchester Metropolitan University is a shareholder in Manchester Science Partnerships Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 30 September 2022

BRUNTWOOD SCIENCE LIMITED

24 RELATED PARTY TRANSACTIONS (CONTINUED)

The following amounts were outstanding in relation to Bruntwood Group companies at the reporting date:

	2022 £000 Debtor	2022 £000 Creditor
Afflecks Limited	54	-
Unify Energy Limited (Formerly Bruntwood Energy Services Limited)	4	9
Unify Management Solutions Limited	-	235
Bruntwood Estates Alpha Portfolio Limited	1	-
Bruntwood LG Limited	-	-
Bruntwood Management Services Limited	119	5,550
Bruntwood Circle Square 14 Limited	3	199
The University of Manchester	166	-
Manchester Metropolitan University	209	-
	<u>556</u>	<u>5,993</u>
	2021 £000 Debtor	2021 £000 Creditor
Afflecks Limited	40	90
Unify Energy Limited (Formerly Bruntwood Energy Services Limited)	-	536
Bruntwood LG Limited	-	6
Bruntwood Management Services Limited	39	3,345
Bruntwood Meeting Rooms Limited	40	-
Bruntwood Circle Square 14 Limited	-	36
The University of Manchester	710	-
	<u>829</u>	<u>4,013</u>

All related party balances are unsecured and interest free.