

Financial Statements

Colney Innovations Limited

For the Year Ended 31 March 2017



Registered number: 06542106

Colney Innovations Limited

Company Information

Directors	Dr S A Forsyth Mr Z Sachak Mr J E Barnard
Registered number	06542106
Registered office	NRP Innovation Centre Norwich Research Park Norwich NR4 7GJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

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Directors' Report

For the Year Ended 31 March 2017

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

Principal activity

The principal activity of the company in the year under review was the commercial letting of laboratory and office space.

Results and dividends

The loss for the year, after taxation, amounted to £128k (2016 - loss £30k).

Going concern

As at 31 March 2017 the company had net current liabilities of £450k and total net liabilities of £1,071k including £2,873k in respect of deferred capital grants, which are only repayable in certain restricted circumstances that the directors do not believe are likely to arise. In addition, the Biotechnology and Biological Sciences Research Council (BBSRC) have confirmed that they will not seek repayment of amount of £398k included within creditors falling due in over one year for a period of at least 12 months from the date of signing these financial statements.

Accordingly, and based on detailed financial projections prepared for the period to March 2022, the directors consider it appropriate to prepare these financial statements on a going concern basis.

Directors

The directors who served during the year were:

Prof D Sanders (resigned 21 October 2016)
Dr S A Forsyth
Mr Z Sachak
Mr J E Barnard

Directors' Report (continued)

For the Year Ended 31 March 2017

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

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



Dr S A Forsyth
Director

Date: 12 December 2017



Independent Auditor's Report to the Member of Colney Innovations Limited

We have audited the financial statements of Colney Innovations Limited for the year ended 31 March 2017, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Member of Colney Innovations Limited (continued)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

A handwritten signature in black ink, appearing to read "Tobias Wilson".

Tobias Wilson (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditors

Kingfisher House
1 Gilders Way
St James Place
Norwich
Norfolk
NR3 1UB

13 December 2017

Statement of Income and Retained Earnings

For the Year Ended 31 March 2017

	Note	2017 £000	2016 £000
Turnover		458	548
Cost of sales		(385)	(396)
Gross profit		<u>73</u>	<u>152</u>
Administrative expenses		(492)	(509)
Other operating income		291	327
Operating loss		<u>(128)</u>	<u>(30)</u>
Tax on loss		-	-
Loss after tax		<u>(128)</u>	<u>(30)</u>
Retained earnings at the beginning of the year		(943)	(913)
		(943)	(913)
Loss for the year		(128)	(30)
Retained earnings at the end of the year		<u>(1,071)</u>	<u>(943)</u>

The notes on pages 7 to 12 form part of these financial statements.

Balance Sheet

As at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	5	3,488	3,767
		<u>3,488</u>	<u>3,767</u>
Current assets			
Debtors: Amounts falling due within one year	6	19	88
Cash at bank and in hand	7	107	141
		<u>126</u>	<u>229</u>
Total assets		<u>3,614</u>	<u>3,996</u>
Capital and reserves			
Profit and loss account		(1,071)	(943)
Liabilities		<u>(1,071)</u>	<u>(943)</u>
Creditors: Amounts Falling Due Within One Year	8	576	529
Creditors: Amounts Falling Due After More Than One Year	9	4,109	4,410
Total reserves and liabilities		<u>3,614</u>	<u>3,996</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S.A. Forsyth

Dr S A Forsyth
Director

Date: 12 December 2017

The notes on pages 7 to 12 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Colney Innovations Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at NRP Innovation Centre, Norwich Research Park, Norwich, NR4 7GJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

As at 31 March 2017 the company had net current liabilities of £450k and total net liabilities of £1,071k including £2,873k in respect of deferred capital grants, which are only repayable in certain restricted circumstances that the directors do not believe are likely to arise. In addition, the Biotechnology and Biological Sciences Research Council (BBSRC) have confirmed that they will not seek repayment of amount of £398k included within creditors falling due in over one year for a period of at least 12 months from the date of signing these financial statements.

Accordingly, and based on detailed financial projections prepared for the period to March 2022, the directors consider it appropriate to prepare these financial statements on a going concern basis.

2.3 Revenue

Turnover represents amounts receivable for rental, associated income and other services, net of value added tax.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- straight line over 20 years
Plant and machinery	- straight line over 5 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.10 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Notes to the Financial Statements

For the Year Ended 31 March 2017

3. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	5	5

4. Employees

The company had no employees in the current or prior year.

5. Tangible fixed assets

	Leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 April 2016	5,023	507	5,530
Additions	27	2	29
Disposals	-	(131)	(131)
At 31 March 2017	5,050	378	5,428
Depreciation			
At 1 April 2016	1,359	404	1,763
Charge for the period	252	56	308
Disposals	-	(131)	(131)
At 31 March 2017	1,611	329	1,940
Net book value			
At 31 March 2017	3,439	49	3,488
At 31 March 2016	3,664	103	3,767

Notes to the Financial Statements

For the Year Ended 31 March 2017

6. Debtors

	2017 £000	2016 £000
Trade debtors	8	62
Other debtors	11	26
	<u>19</u>	<u>88</u>

7. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	107	141

8. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	23	40
Amounts owed to group undertakings	163	61
Other creditors	171	144
Accruals and deferred income	219	284
	<u>576</u>	<u>529</u>

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

	2017 £000	2016 £000
Amounts owed to group undertakings	398	398
Other creditors	1,057	1,142
Accruals and deferred income	2,654	2,870
	<u>4,109</u>	<u>4,410</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

10. Related party transactions

The company has taken advantage of the exemptions available under FRS 102 section 33 whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that group.

11. Controlling party

The ultimate parent undertaking and controlling party is Norwich Research Partners LLP, a partnership incorporated in United Kingdom.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.