

MediCity Nottingham Limited

Registered number: 08443364

Information for filing with the registrar

For the year ended 31 December 2020



MEDICITY NOTTINGHAM LIMITED
REGISTERED NUMBER: 08443364

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	4	4,704	5,079
		<u>4,704</u>	<u>5,079</u>
Current assets			
Debtors	5	88	238
Cash at bank and in hand		53	22
		<u>141</u>	<u>260</u>
Creditors: Amounts falling due within one year	6	(1,267)	(1,349)
		<u>(1,126)</u>	<u>(1,089)</u>
Net current liabilities		<u>(1,126)</u>	<u>(1,089)</u>
Total assets less current liabilities		<u>3,578</u>	<u>3,990</u>
Creditors: Amounts falling due after more than one year	7	(4,390)	(4,831)
		<u>(812)</u>	<u>(841)</u>
Net liabilities		<u>(812)</u>	<u>(841)</u>
Capital and reserves			
Profit and loss account	12	(812)	(841)
		<u>(812)</u>	<u>(841)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



Mr T Reid
Director

Date: 25 March 2021

The notes on pages 2 to 15 form part of these financial statements.

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

MediCity Nottingham Limited, registered number 08443364, presents its financial statements for the year ended 31 December 2020. The presentation currency for the financial statements is pounds sterling (£'000). The Company is a private company, limited by shares and is registered in England. Its registered office address is Pennyfoot Street, Nottingham, NG1 1GF.

The principal activity of the Company for the year continued to be that of the incubation of early stage bioscience and medical technology companies.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's ultimate parent undertaking, BioCity Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of BioCity Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Pennyfoot Street, Nottingham, NG1 1GF.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The Company made a profit during the year under review. The results for future years are subject to a significant level of uncertainty, with future performance being reliant upon continuing to attract new tenants into the facility leased by MediCity Nottingham Limited. However, having reviewed the business plans in place, the Directors believe, with reasonable certainty, that the Company has adequate resources to continue in operational existence for the foreseeable future. In support of this, the shareholder Company has confirmed their willingness to provide necessary support to the business. Accordingly, the going concern basis of preparation has been adopted for these financial statements.

The Board has reviewed the Company's forecasts for a minimum period of twelve months from the date of the signing of these financial statements, taking due consideration of the associated risks and uncertainties, and is confident that the Company is in a satisfactory position. The Company continues to monitor closely the situation in relation to the current COVID-19 pandemic. The Company has assessed the potential impact of the COVID-19 pandemic under the current circumstances and believes it has sufficient working capital without impairing the Company's ability to service its customers. The Company's customers predominantly operate in the life science, healthcare and medical technology sectors, which are considered more resilient in times of recession due to the nature of their funding and a reduced volume of direct to consumer transactions. Additionally, many of the Company's customers provide services to the pharmaceutical sector which similarly tends to be less impacted in times of recession as Governments, healthcare providers and other key stakeholders continue to purchase these products. Having considered the factors above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis in preparing the financial statements.



MEDICITY NOTTINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

The following new and amended IFRSs are effective for the 2020 Financial Statements. The adoption of this Standard has not had any material impact on the disclosures or on the amounts reported in the Group's or the Parent Company's Financial Statements.

- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform – Phase 1
- Amendments to IFRS 3 Definition of a Business
- Amendments to IFRS 16 COVID-19 Related Rent Concessions
- Amendments to FRS 101 Reduced Disclosure Framework 2019/20 Cycle.

As at 31 December 2020, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases have not yet been adopted by the EU:

- Amendments to IFRS 9, IAS 39, IFRS 16, IFRS 4, IFRS 7 Interest Rate Benchmark Reform – Phase 2¹
- Amendments to IFRS 4 Extension of the Temporary Exemption from Applying IFRS 9¹
- Amendments to FRS 101 Reduced Disclosure Framework 2018/19 Cycle¹
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use²
- Amendments to IAS 37 Onerous Contracts: Cost of Fulfilling a Contract²
- Amendments to IFRS 3 Reference to the Conceptual Framework²

¹ Effective for annual periods commencing on or after 1 January 2021

² Effective for annual periods commencing on or after 1 January 2022

2.5 Revenue

Revenue is measured in accordance with the relevant accounting standards. For all contracts within the scope of IFRS 15, the Company determines whether enforceable rights and obligations have been created with the customer and recognises revenue based on the total transaction price as estimated at the contract inception, being the amount which the Company expects to be entitled and has present enforceable rights under the contract. Revenue is allocated proportionally across the contract performance obligations and recognised either over time or at a point in time as appropriate.

Revenue included in the Profit and Loss Account represents amounts invoiced during the year exclusive of Value Added Tax. Revenue attributable to licence fees, facility services and business support services provided are recognised on a monthly basis and are accrued or deferred as necessary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Leases: the Company as lessee

The Company recognises right-of-use assets under lease agreements in which it is the lessee. The underlying assets relate to property or equipment. The right-of-use assets comprise the initial measurement of the corresponding lease liability and payments made at or before the commencement day as well as any initial direct costs. Furthermore, lease incentives are recognised separately and amortised during the lease term. The corresponding lease liability is included in the Balance Sheet as a lease liability.

The right-of-use asset is depreciated over the lease-term and if necessary impaired in accordance with applicable standards. The Company did neither make any adjustments for re-measurement of the lease liability nor for the right-of-use-asset. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (application of the effective interest method) and by reducing the carrying amount to reflect the lease payments made. No modification or reassessments of the lease liability have been made during the reporting period.

2.7 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance Sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further obligations. The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold buildings	- over the term of the lease
Plant and machinery	- 10% to 33% per annum straight line
Fixtures and fittings	- 10% per annum straight line
Equipment	- 10% to 33% per annum straight line
Right-of-use assets	- over the term of the lease

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 profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

A provision for impairment is recognised if there is considered to be expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Losses arising from impairment are recognised in the Profit and Loss Account.

2.13 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 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the transaction value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Impairment of financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses on continuing operations are recognised in the Profit and Loss Account in those categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Profit and Loss Account unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Administration	4	5

4. Tangible fixed assets

	Leasehold buildings £000	Right-of-use assets £000	Fixtures and fittings £000	Plant, machinery and equipment £000	Total £000
Cost					
At 1 January 2020	1,749	4,223	37	137	6,146
At 31 December 2020	1,749	4,223	37	137	6,146
Depreciation					
At 1 January 2020	330	613	15	109	1,067
Charge for the year	101	258	4	12	375
At 31 December 2020	431	871	19	121	1,442
Net book value					
At 31 December 2020	1,318	3,352	18	16	4,704
At 31 December 2019	1,419	3,610	22	28	5,079

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Debtors

	2020	2019
	£000	£000
Trade debtors	7	85
Other debtors	12	73
Prepayments and accrued income	69	80
	<u>88</u>	<u>238</u>

6. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Loans	160	232
Trade creditors	123	116
Amounts owed to group undertakings	314	348
Lease liabilities	206	196
Other creditors	110	65
Accruals and deferred revenue	354	392
	<u>1,267</u>	<u>1,349</u>

The amounts owed to group undertakings are interest free and repayable on demand.

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

	2020	2019
	£000	£000
Loans	189	349
Lease Liabilities	3,394	3,608
Accruals and deferred revenue	807	874
	<u>4,390</u>	<u>4,831</u>

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Loans

Analysis of the maturity of loans is given below:

	2020 £000	2019 £000
Amounts falling due within one year		
Loans	160	232
	<u>160</u>	<u>232</u>
Amounts falling due after more than one year		
Loans	189	349
	<u>189</u>	<u>349</u>
	<u>349</u>	<u>581</u>

The Company has two principal loans:

An unsecured loan of £Nil (2019: £76,000) with Boots Property Limited. The loan is interest free and has been fully repaid in 2020.

A loan due to a Local Enterprise Partnership of £600,000 was taken out on 26 June 2015. The loan is repayable in equal instalments starting March 2019 until March 2023. The loan carries interest at 2.74%. BioCity Group Limited has provided a guarantee over the loan.

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Lease liabilities

The present value of minimum lease payments is analysed as follows:

	2020	2019
	£000	£000
Within one year	206	196
Between 1-5 years	929	886
Over 5 years	2,465	2,721
	<u>3,600</u>	<u>3,803</u>

Future minimum lease payments for:

	2020	2019
	£000	£000
Within one year	368	368
Between 1-5 years	1,474	1,474
Over 5 years	2,948	3,316
	<u>4,790</u>	<u>5,158</u>

Amounts recognised in the Profit and Loss Account include the following:

	2020	2019
	£000	£000
Interest on lease liabilities	172	215
	<u>172</u>	<u>215</u>

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Deferred revenue

	2020	2019
	£000	£000
Arising from customer advance payments	104	128
Arising from grant (i)	874	944
	<u>978</u>	<u>1,072</u>
Amounts falling due within one year	171	198
Amounts falling due after more than one year	807	874
	<u>978</u>	<u>1,072</u>

(i) The deferred revenue arises as a result of the benefit received from an interest free government grant for building refurbishment costs. The revenue will be recognised as amortisation and matched against depreciation charges against the building refurbishment costs in line with the Company's depreciation policy (note 2).

11. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

12. Reserves**Profit and loss account**

The profit and loss account represents cumulative profits and losses of the Company.

13. Deferred tax

There are no recognised deferred tax assets as 31 December 2020 and 31 December 2019 due to the uncertainty of the timing of future profits.

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £4,759 (2019: £4,960).

MEDICITY NOTTINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Related party transactions

The Company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel.

16. Immediate and ultimate parent undertaking

The Company's immediate and ultimate parent undertaking is BioCity Group Limited, a Company incorporated in England & Wales. BioCity Group Limited owns 100% of the issued share capital of MediCity Nottingham Limited. BioCity Group Limited is the parent undertaking of the largest and smallest group of Companies for which Group financial statements including the financial statements of this Company are prepared. See note 2 for details of the registered address of BioCity Group Limited from where copies of consolidated financial statements can be obtained. BioCity Group Limited has no immediate and ultimate controlling party.

17. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 26 March 2021 by Alistair Wesson (Senior Statutory Auditor) on behalf of Mazars LLP.