

Registered number
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Merrifield Centre Limited
Annual Report and Financial Statements
for the year ended 31 December 2022

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Merrifield Centre Limited
Annual Report and Financial Statements
Contents

	Page
Company Information	1
Directors' Report	2
Statement of Financial Position	4
Notes to the Financial Statements	5

Merrifield Centre Limited
Company Information

Directors

Simon Farnsworth

Property Manager

Savills Plc
33 Margaret Street
London
W1G 0JD

Investment Advisor

Ironstone Asset Management Limited
55 Wells Street
London
W1T 3PT

Solicitors

Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Registered office

c/o Hillier Hopkins LLP
First floor, Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Administrator

Link Alternative Fund Administrators Limited
trading as Link Asset Services
Broadwalk House
Southernhay West
Exeter
EX1 1TS

Merrifield Centre Limited

Registered number: 11118349

Directors' Report

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2022.

As at 31 December 2022, the Company was a wholly-owned subsidiary of Ironstone Life Science Holdings Limited (The "Parent Company"), whose ultimate parent is Life Science REIT plc (the "Ultimate Parent Company"). The Company is part of a group which consists of the Ultimate Parent Company and its subsidiaries (together, the "Group"). The Company's principal asset, the Merrifield Centre, was transferred to Ironstone Life Science Merrifield Limited, a separate subsidiary of the Parent Company, for £nil consideration on 30 December 2021.

Strategic report

The Directors have taken advantage of the exemptions allowed under Section 414B of the Companies Act 2006 and have not prepared a strategic report.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Principal activities

The Company's principal activity during the year was the rental of investment property.

Results and dividends

The profit for the year amounted to £nil (2021: £1,771,906). The Directors did not recommend a dividend in respect of the year (2021: £nil). Any profit for the year is to be transferred to reserves.

Future developments

The Directors expect the activity in the coming year to be largely consistent with the current year as the Company continues in its principal activity being the rental of properties.

Events after the balance sheet date

Refer to note 9.

Directors

The following persons served as Directors for the year ended 31 December 2022 and up to the date these Financial Statements were approved.

Simon Farnsworth

Directors indemnities

The Board has formal arrangements for the Directors, in the furtherance of their duties, to take independent professional advice at the Company's expense. The Ultimate Parent Company has also taken out a Directors' and Officers' Liability insurance policy, which includes cover for legal expenses. This is a qualifying third party indemnity provision per S236 (2) (3) of the Companies Act 2006.

Going concern

As part of the going concern assessment, the Directors have a reasonable expectation that the Company have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements. The Directors are also not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. They therefore have adopted the going concern basis in the preparation of the Annual Report and Financial Statements.

Exemption from audit

The Company satisfies the conditions disclosed in section 479A Companies Act 2006 "Subsidiary companies: conditions for exemption from audit". The Directors note that:

- the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476;
- the ultimate parent company, Life Science REIT plc has provided a statement of guarantee under section 479C in respect of that period; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

Merrifield Centre Limited

Registered number: 11118349

Directors' Report

Statement of Directors' responsibilities

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 Practices (United Kingdom Accounting Standards and applicable Law), including FRS 101 "Reduced Disclosure Framework". 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 judgements 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.

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance.

This Directors' Report was approved by the Board of Directors on 30 June 2023 and is signed on its behalf by:

DocuSigned by:

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Simon Farnsworth
c/o Hillier Hopkins LLP
First floor, Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Merrifield Centre Limited
Statement of Financial Position
as at 31 December 2022
Company Number 11118349

	Notes	31 December 2022 £	31 December 2021 £
Non-current assets			
Investment property	3	-	-
Total non-current assets		-	-
Current assets			
Trade and other receivables	4	5,446,359	5,445,276
Total current assets		5,446,359	5,445,276
Total assets		5,446,359	5,445,276
Current liabilities			
Trade and other payables	5	(23,155)	(22,072)
Total current liabilities		(23,155)	(22,072)
Net current liabilities		5,423,204	5,423,204
Total liabilities		(23,155)	(22,072)
Net assets		5,423,204	5,423,204
Capital and reserves			
Called up share capital	6	21,786	21,786
Share premium	7	238,204	238,204
Retained earnings	8	5,163,214	5,163,214
Total equity		5,423,204	5,423,204

For the period ending 31 December 2022 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The ultimate parent company, Life Science REIT plc, has provided a statement of guarantee under section 479C in respect of the year.

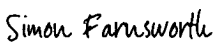
The Members have not required the Company to obtain an audit of its accounts for the period in question in accordance with Section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Financial Statements have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Company has therefore opted not to file the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity in accordance with the provisions applicable to the small companies' regime.

The Financial Statements of Merrifield Centre Limited were approved and authorised for issue by the Board of Directors on 30 June 2023 and signed on its behalf by:

DocuSigned by:

 DB63750BF6C343E...
 Simon Farnsworth
 Director

Notes 1 - 11 form part of these Financial Statements.

Merrifield Centre Limited
Notes to the Financial Statements
for the year ended 31 December 2022

1 Summary of significant accounting policies

1.1 General information

Merrifield Centre Limited is a private company limited by shares, incorporated under the Companies Act 2006 and domiciled in the UK and registered in England and Wales. The address for the registered office is Radius House, 51 Clarendon Road, Watford, Hertfordshire, WD17 1HP. The Company's principal activity is the rental of investment properties. The Company is owned by Ironstone Life Science Merrifield Limited.

These Financial Statements are separate Financial Statements and present information about the Company as an individual undertaking and not of the Group. The Group consolidated Financial Statements of Life Science REIT Plc may be obtained from the Company Secretary at 6th Floor, 65 Gresham Street, London, EC2V 7NQ and on the Company's website www.lifesciencereit.co.uk.

1.2 Basis of preparation

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Financial Statements are prepared on a going concern basis.

FRS 101 introduces a disclosure framework enabling qualifying entities to use the recognition and measurement bases of International Financial Reporting Standards ("IFRS") in their individual entity Financial Statements, while being exempt from a number of disclosures required by full IFRS. The Company has taken advantage of the following disclosure exemptions which are permissible under FRS 101 as the equivalent disclosures are contained within the Group consolidated Financial Statements of Life Science REIT plc:

- a statement of cash flows;
 - a statement of changes in equity;
 - the effect of future accounting standards not yet adopted;
 - the disclosure of the remuneration of key management personnel;
 - disclosure of related party transactions with other wholly owned members of the Life Science REIT plc group of companies;
 - the disclosure of certain information relating to financial instruments and other fair value measurements; and
 - the disclosure of certain comparative information relating to investment properties.
- These Financial Statements have been prepared in Sterling, which is the functional currency of the Company.

1.3 Going concern

As part of the going concern assessment, the Directors have a reasonable expectation that the Company have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements. The Directors are also not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. They therefore have adopted the going concern basis in the preparation of the Annual Report and Financial Statements.

Merrifield Centre Limited
Notes to the Financial Statements
for the year ended 31 December 2022

1.4 Investment property

The valuations of the Group's investment property are at fair value as determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards January 2022 (incorporating the International Valuation Standards) and in accordance with IFRS 13. The key estimates made by the valuer are the ERV and equivalent yields of each investment property.

Onsite developments are valued by applying the 'residual method' of valuation, which is the investment method described above with a deduction for all costs necessary to complete the development, with a further allowance for remaining risk and developers' profit. Properties and land held for future development are valued using the highest and best use method, by adopting the residual method allowing for all associated risks, the investment method, or a value per acre methodology.

Investment property comprises property held to earn rental income or for capital appreciation, or both. Investment property is recognised upon legal completion of the contract, where costs are reliably measured and future economic benefits that are associated with the property flow to the entity. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value (see note 23 of the Life Science REIT plc 2022 Annual Report). Gains or losses arising from changes in the fair values are included in the consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise under IAS 40 Investment Property.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Movements in rent incentives are presented within the total portfolio valuation.

1.5 Financial instruments

The Company only enters in to basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade debtors and creditors, loans from the bank and other third parties, loans to and from related parties and investments in non-puttable ordinary shares. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at the transaction price (including transaction costs).

1.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently carried at amortised cost less provision for impairment. Where the time value of money is material, receivables are carried at amortised cost using the effective interest method. Impairment provisions are recognised on the expected credit loss model detailed within IFRS 9.

The Company recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables where necessary. The loss allowance is based on lifetime expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Impaired balances are reported net, however impairment provisions are recorded within a separate provision account with the loss being recognised within administration costs within the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

1.7 Trade payables

Trade and other payables are initially recognised at fair value and subsequently held at amortised cost. Deferred income is rental income received in advance during the accounting period. The income is deferred and is unwound to revenue on a straight-line basis over the period in which it is earned.

Merrifield Centre Limited
Notes to the Financial Statements
for the year ended 31 December 2022

1.8 Taxation

On 30 November 2021, the Company became part of the Group headed by Life Science REIT Plc (the "Group"). As a REIT, the Group is exempt from corporation tax on the profits and gains from its property rental business, provided it continues to meet certain conditions as per REIT regulations.

Non-qualifying profits and gains of the Group continue to be subject to corporation tax. Therefore, current tax is the expected tax payable on the non-qualifying taxable income for the period if applicable, using tax rates enacted or substantively enacted at the balance sheet date.

2 Significant accounting judgements and estimates

The preparation of these Financial Statements in accordance with FRS 101 requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the Financial Statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

Management were not required to make any estimates or judgements in the preparation of these Financial Statements.

3 Investment property

	31 December 2022 £	31 December 2021 £
Fair value		
Investment property valuation brought forward	-	3,120,409
Depreciation	-	(2,186)
Rent incentive adjustment	-	24,100
Fair value gains on revaluation of investment property	-	1,657,677
Disposal of properties	-	(4,800,000)
Carrying value at the end of the year	<u>-</u>	<u>-</u>

The Company's principal asset, the Merrifield Centre, was transferred to Ironstone Life Science Merrifield Limited, a separate subsidiary of the Parent Company, for £nil consideration on 30 December 2021.

4 Trade and other receivables

	31 December 2022 £	31 December 2021 £
Intercompany receivable	5,446,359	5,426,734
VAT receivable	-	18,542
	<u>5,446,359</u>	<u>5,445,276</u>

All intercompany balances are deemed unsecured and repayable on demand. No interest accrues on these balances.

5 Trade and other payables

	31 December 2022 £	31 December 2021 £
Corporation tax	23,155	22,072
	<u>23,155</u>	<u>22,072</u>

Merrifield Centre Limited
Notes to the Financial Statements
for the year ended 31 December 2022

6 Share capital

	31 December 2022 Number	31 December 2021 Number
Allotted, called up and fully paid: 0.1p Ordinary shares	<u>21,786,492</u>	<u>21,786,492</u>
	31 December 2022 £	31 December 2021 £
Allotted, called up and fully paid: 0.1p Ordinary shares	<u>21,786</u>	<u>21,786</u>

Share capital represents the nominal value of share capital subscribed for.

The Company has one class of ordinary shares which carry no right to fixed income. The ordinary shares entitle the owners to appoint or remove officers of the Company and to receive dividends from the Company when the Directors decide it is prudent to declare such dividends.

7 Share premium

	31 December 2022 £	31 December 2021 £
At the beginning of the year	238,204	238,204
Shares issued in year	-	-
At the end of the year	<u>238,204</u>	<u>238,204</u>

8 Retained earnings

	31 December 2022 £	31 December 2021 £
At the beginning of the year	5,163,214	3,391,308
Profit for the financial year	-	1,771,906
At the end of the year	<u>5,163,214</u>	<u>5,163,214</u>

Retained earnings represents the net of all profits and losses, gains and losses generated which have not been distributed to shareholders.

9 Events after the balance sheet date

There were no events after the balance sheet date which would materially affect the Company's Financial Statements.

10 Controlling party

The Company's immediate parent company is Ironstone Life Science Holdings Limited, a company incorporated and registered in England and Wales. The ultimate parent company is Life Science REIT plc, a company incorporated and registered in England and Wales. The smallest and largest Group to consolidate these accounts is the Group headed by Life Science REIT plc. The registered address of the immediate parent company is the same as the Company. The registered address of the ultimate parent company is 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

11 Employees

The average number of employees during the year was nil (31 December 2021: nil).