

# **Northern Ireland Science Park Property Limited**

## **Directors' report and financial statements for the year ended 31 March 2014**

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# **Northern Ireland Science Park Property Limited**

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# **Northern Ireland Science Park Property Limited**

## **Directors and advisers**

### **Directors**

E G Bell (Chairman)  
Dr N Apsley  
P Donnelly  
Dr B Hanna (retired 30 June 2014)  
F Hewitt (retired 30 June 2014)  
G Jebb (resigned 31 December 2013)  
J Davies  
P Gilliland

### **Company secretary**

P Maguire

### **Registered office**

The Innovation Centre  
Queen's Road  
Queen's Island  
Belfast BT3 9DT

### **Solicitors**

Cleaver Fulton Rankin  
50 Bedford Street  
Belfast BT2 7FW

### **Bankers**

Ulster Bank Limited  
PO Box 232  
11-16 Donegall Square East  
Belfast

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Waterfront Plaza,  
8 Laganbank Road,  
Belfast BT1 3LR

# Northern Ireland Science Park Property Limited

## Directors' report for the year ended 31 March 2014

The directors present their report and the audited financial statements for the year ended 31 March 2014.

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the audited 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the audited 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 audited 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; 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 audited 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.

### Principal activities

The principal activity of Northern Ireland Science Park Property Limited is to manage the land and property assets of the Northern Ireland Science Park Foundation Limited in fulfilment of the Northern Ireland Science Park Foundation Limited's objects and in accordance with the policies of Northern Ireland Science Park (Holdings) Limited.

Northern Ireland Science Park has developed five buildings at its Belfast site, namely The Innovation Centre, The Legacy Building, White Star House and Concourse I and II, which together total 204,595 net sq. ft., most of which has been let to a mixture of local and global high tech businesses on scales from single desk tenant to multinational tenant. The first building in the North West at the Fort George site in Derry was completed at the end of July 2014. Letting of this 38,000 sq. ft building is proceeding satisfactorily. This building has been funded by an Interreg grant as part of a cross border collaborative project with Letterkenny Institute of Technology.

In addition, Queen's University Belfast operates its Electronics, Communications and Information Technology research institute on a site leased to it by the company.

In order to provide support for the listed Pump House and scheduled monument, the Thompson Dry Dock, the company operates these features for tourism, schools' education and events.

### Directors

The directors who served during the financial year and those subsequently appointed were:

E G Bell (Chairman)

Dr N Apsley

P Donnelly

Dr B Hanna (retired 30 June 2014)

F Hewitt (retired 30 June 2014)

G Jebb (resigned 31 December 2013)

J Davies

P Gilliland

# Northern Ireland Science Park Property Limited

## Directors' report for the year ended 31 March 2014 (continued)

### Directors' liabilities

The company has granted an indemnity to all its directors against liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Political and charitable contributions

The company made no charitable contribution during the year (2013: £87,778).

The company made no political contributions during the year (2013: £ Nil)

### Results and dividends

The loss for the financial year after taxation is £(31,639) (2013: Profit £73,243). The directors are satisfied with the results of the company for the year.

### Statement of disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21/10/14 and signed on its behalf.



P Maguire  
Company Secretary

# **Northern Ireland Science Park Property Limited**

## **Independent auditors' report to the members of Northern Ireland Science Park Foundation Limited**

We have audited the financial statements of Northern Ireland Science Park Property Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and notes to the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Unqualified 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 2014 and of its loss and cash flows 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 requirement of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Northern Ireland Science Park Property Limited

## Independent auditors' report to the members of Northern Ireland Science Park Foundation Limited

### 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 in preparing the directors' report.



Martin Pitt (Senior Statutory Auditor)  
for and on behalf of Pricewaterhouse Coopers LLP  
Chartered Accountants and Statutory Auditors  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LR

Date: 4/12/14

# Northern Ireland Science Park Property Limited

## Profit and loss account for the year ended 31 March 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	1,2	<b>1,896,438</b>	1,984,138
Direct Costs		(149,227)	(112,562)
<b>Gross profit</b>		<b>1,747,211</b>	1,871,576
Administrative expenses		(1,894,654)	(2,035,165)
Other operating income		825,206	804,819
<b>Operating profit</b>	3	<b>677,763</b>	641,230
Interest receivable and similar income		1,995	1,220
Interest payable and similar charges	6	(617,150)	(455,864)
<b>Profit on ordinary activities before taxation</b>		<b>62,608</b>	186,586
Tax on profit on ordinary activities	7	(94,247)	(113,343)
<b>(Loss)/Profit for the financial year</b>	14	<b>(31,639)</b>	73,243

All amounts relate to continuing operations.

There were no recognised gains and losses for the financial year 2014 or the financial year 2013 other than those included in the profit and loss account.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

The notes on pages 9 to 14 form part of these financial statements.



# Northern Ireland Science Park Property Limited

## Balance sheet as at 31 March 2014

	Notes	£	2014 £	2013 £
<b>Fixed assets</b>				
Tangible assets	8		24,904,401	25,777,457
Investments			-	-
			<b>24,904,401</b>	<b>25,777,457</b>
<b>Current assets</b>				
Debtors	9	718,734		860,818
Cash at bank and in hand		53,386		3,030,935
		<b>772,120</b>		<b>3,891,753</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,298,576)</b>	<b>(4,809,546)</b>	
<b>Net current assets</b>			<b>(526,456)</b>	<b>(917,793)</b>
<b>Total assets less current liabilities</b>			<b>24,377,945</b>	<b>24,859,664</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<b>(23,168,933)</b>	<b>(23,622,026)</b>	
<b>Provision for liabilities</b>				
Deferred tax			3,013	-
<b>Net assets</b>			<b>1,205,999</b>	<b>1,237,638</b>
<b>Capital and reserves</b>				
Called up share capital	13		1	1
Profit and loss account	14		1,205,998	1,237,637
<b>Total shareholders' funds</b>	15		<b>1,205,999</b>	<b>1,237,638</b>

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



**E G Bell (Chairman)**  
Director

The notes on pages 9 to 14 form part of these financial statements.

# Northern Ireland Science Park Property Limited

## Notes to the financial statements for the year ended 31 March 2014

### 1 Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### 1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### *Rendering of services*

Turnover is recognised in line with the contractual obligations under the leases with the tenants.

##### *Interest income*

Turnover is recognised as interest accrues using the effective interest method.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property and buildings	0.8% to 33.3% straight line
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#### 1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.5 Deferred credit

Grants in respect of capital expenditure are credited to a deferred income account and are released to the income and expenditure account over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income in the period to which they relate.

#### 1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# Northern Ireland Science Park Property Limited

## Notes to the financial statements for the year ended 31 March 2014

### 2. Turnover

The company receives rental income derived from leasehold property which is credited to income in the period to which it relates. Turnover is attributable to one principal area of activity and is attributable to continuing operations.

All turnover arose within the United Kingdom.

### 3 Other operating income

	2014	2013
	£	£
Other operating income – deferred grant release	825,206	804,819

### 4 Operating profit

	2014	2013
	£	£
<b>This is stated after charging/(crediting):</b>		
Deferred grant release	825,206	804,819
Auditors remuneration	2,000	3,000
Depreciation of tangible fixed assets:		
- owned by the company	1,172,207	1,072,026

### 5 Directors' emoluments

The company has no employees other than the directors, who did not receive any remuneration (2013: £ NIL).

### 6 Interest payable and similar charges

	2014	2013
	£	£
Finance lease charges	(617,150)	(455,864)

### 7 Tax on profit on ordinary activities

	2014	2013
	£	£
<b>Current tax:</b>		
UK corporation tax charge on profit for the year	87,963	99,804
Adjustment in respect of previous year	2,500	8,691
<b>Total current tax</b>	<b>90,463</b>	<b>108,495</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	4,237	4,814
Effect of changes in tax rate	(453)	34
<b>Total deferred tax (note 12)</b>	<b>3,784</b>	<b>4,848</b>
<b>Tax on profit on ordinary activities</b>	<b>94,247</b>	<b>113,343</b>

# Northern Ireland Science Park Property Limited

## Notes to the financial statements for the year ended 31 March 2014

### 7 Tax on profit on ordinary activities (continued)

The tax assessed for the year is higher than (2013: higher than) the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £	2013 £
<b>Profit on ordinary activities before tax</b>	<b>62,608</b>	<b>186,586</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 23% (2013: 24%)	14,400	44,781
<b>Effects of:</b>		
Expenses not deductible for tax purposes	268,450	256,202
Capital allowances for year in excess of depreciation	(4,237)	(4,814)
Adjustments to tax charge in respect of previous year	2,500	8,691
Non-taxable income	(189,797)	(193,157)
Effects of other tax rates	(853)	(3,208)
<b>Total current tax</b>	<b>90,463</b>	<b>108,495</b>

### 8 Tangible fixed assets

	Long Term Leasehold property £
<b>Cost</b>	
At 1 April 2013	32,735,859
Additions	299,152
Disposals	-
<b>At 31 March 2014</b>	<b>33,035,011</b>
<b>Accumulated depreciation</b>	
At 1 April 2013	6,958,403
Charge for the year	1,172,207
<b>At 31 March 2014</b>	<b>8,130,610</b>
<b>Net book amount</b>	
<b>At 31 March 2014</b>	<b>24,904,401</b>
At 31 March 2013	25,777,457

# Northern Ireland Science Park Property Limited

## Notes to the financial statements for the year ended 31 March 2014

### 9 Debtors

	2014 £	2013 £
Trade debtors	351,698	542,009
Amounts owed by undertakings in which the company has a participating interest	1,959	15,315
Other debtors	40,505	107,071
Prepayments and accrued income	324,572	195,652
Deferred tax asset	-	771
	<b>718,734</b>	<b>860,818</b>

### 10 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loan & overdraft	104,873	-
Trade creditors	450,137	274,830
Accruals and deferred income	97,313	3,352,284
Other creditors	35,623	5,602
Amounts owed to subsidiary undertakings	18,423	412,827
Corporation tax payable	90,437	99,804
Other tax and social security	501,770	664,199
	<b>1,298,576</b>	<b>4,809,546</b>

### 11 Creditors: amounts falling after more than one year

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	5,528,936	5,511,786
Government grants received	17,639,997	18,110,240
	<b>23,168,933</b>	<b>23,622,026</b>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	5,528,936	5,511,786

# Northern Ireland Science Park Property Limited

## Notes to the financial statements for the year ended 31 March 2014

### 12 Deferred tax asset/(liability)

	2014 £	2013 £
At the beginning of year	771	5,619
Charged to the profit and loss account	(3,784)	(4,848)
<b>At 31 March 2014</b>	<b>(3,013)</b>	<b>771</b>

	2014 £	2013 £
Accelerated capital allowances	(3,013)	771

### 13 Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	1	1

### 14 Reserves

	£
At 1 April 2013	1,237,637
Loss for the financial year	(31,639)
<b>At 31 March 2014</b>	<b>1,205,998</b>

### 15 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Opening shareholders funds	1,237,638	1,164,395
(Loss)/Profit for the financial year	(31,639)	73,243
<b>Closing shareholders' funds</b>	<b>1,205,999</b>	<b>1,237,638</b>

# Northern Ireland Science Park Property Limited

## Notes to the financial statements for the year ended 31 March 2014

### 16 Contingent liabilities

Grants received may become partly repayable if certain conditions are not met. At the year end capital grants received from the Department of Enterprise, Trade and Investment and the International Fund for Ireland totalled £25 (2013: £25 million).

The company has granted charges over its present and future freehold and leasehold property and on any income arising out of the lease of these properties and a floating charge over the undertaking goodwill, property and assets both present and future in favour of the Department of Enterprise, Trade and Investment, Barclays Bank and Belfast Harbour Commission in respect of all receipts of grant or monies due or to become due under the terms of funding agreements. It has also given an unlimited guarantee to repay all monies due on intra group receipts of capital grants under the funding agreements. At 31 March 2014 the group had received capital advances totalling £25 million (2013 - £25 million).

The International Fund for Ireland had been granted a mortgage over The Innovation Centre. This was released during the year.

In the opinion of the directors any loss in respect of these is considered unlikely.

The company has entered into an intra group cross guarantee in favour of Ulster Bank Limited whereby it has guaranteed the obligations of its ultimate parent undertaking and subsidiary undertakings thereof due or which become due to the bank.

### 17 Related party transactions

The company as a 100% subsidiary has taken advantage of the exemption within FRS 8 'Related Party Disclosures' not to disclose transactions with other group companies as group financial statements are prepared.

### 18 Ultimate controlling party

The company's immediate parent undertaking is Northern Ireland Science Park (Holdings) Limited, a company incorporated in Northern Ireland.

The company's ultimate parent undertaking and controlling party is Northern Ireland Science Park Foundation Limited, a company incorporated in Northern Ireland. The parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are prepared is Northern Ireland Science Park Foundation Limited. Copies of the group financial statements which include the company are publically available and may be obtained from its registered office.