

Northern Ireland Science Park Property Limited

Directors' report and financial statements

Year ended 31 March 2020

Registered number: NI038987

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Northern Ireland Science Park Property Limited

Directors' report and financial statements

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Northern Ireland Science Park Property Limited

Directors and other information

Directors

R A Milliken (Chairman)
S Orr
P Gilliland
Professor C Gormley-Heenan
Dr B Keating
J Wylie

Company secretary

P Maguire

Registered office

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

Independent auditor

KPMG
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Bankers

Bank of Ireland
1 Donegall Square South
Belfast
BT1 5LR

Solicitors

Cleaver Fulton Rankin
50 Bedford Street
Belfast
BT2 7FW

Registered number

NI038987

Northern Ireland Science Park Property Limited

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2020.

Results and dividends

The profit for the financial year after taxation is £182k (2019: £84k). The directors are satisfied the results of the Company for the year are as expected. The directors do not recommend the payment of a dividend (2019: ENil).

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 objectives and in accordance with the policies of Northern Ireland Science Park (Holdings) Limited.

Northern Ireland Science Park Foundation Limited is the Parent Company of Northern Ireland Science Park (Holdings) Limited, which in turn is the Parent Company of Northern Ireland Science Park Property Limited, North West Regional Science Park Limited and Northern Ireland Science Park Trading Limited. The largest and smallest group in which the results of the Company are consolidated is that headed by Northern Ireland Science Park Foundation Limited, incorporated in Northern Ireland whose registered office is The Innovation Centre, Queen's Road, Queen's Island, Belfast, BT3 9DT. The consolidated financial statements of this group are available to the public and may be obtained from Companies House. Catalyst is the trading name of Northern Ireland Science Park Foundation Limited and subsidiary companies.

Northern Ireland Science Park Property Limited has developed six buildings at its Belfast site, namely The Innovation Centre, The Legacy Building, White Star House and Concourse I, II & III, which together total 204,095 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 buildings provide agile connected work-space and event space, with space available from one desk to an entire building on flexible lease terms from one month upwards.

In addition, Queen's University Belfast operates its Electronics, Communications and Information Technology Research Institute from the site. This Queen's University Belfast Research Institute, accommodates 150 research staff in four groups with the largest being the centre for cyber security.

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. Titanic's Dock and Pump-House occupies a 7-acre scheduled monument site at Catalyst. The massive dry dock where RMS Titanic was fitted out remains as Titanic's physical footprint in history. The listed Pump-House accommodates a Café, Visitor's Centre as well as an interpretive Centre for what was the largest dock and most powerful pumps in the world when completed in 1911 to construct the largest trio of ships – RMS Olympic, Titanic and Britannic.

A range of catering options exists at the Park with facilities in The Innovation Centre, Concourse II, the Pump-House and Café Krem in ECIT.

More detail on the real estate as well as future developments can be found in the Northern Ireland Science Park Foundation Limited consolidated financial statements.

Covid-19

The Group are monitoring developments in relation to the Covid-19 pandemic. This virus is a worldwide pandemic and it is unclear the impact it will have on both the Northern Ireland economy and property markets. The key business risks and uncertainty affecting the Group include the potential impact on rental income caused by tenant financial distress or a reduction in office space, reduction in market value of properties and a freeze on new lettings. The various government support schemes in relation to Covid-19; tenants being in the less affected technology sector and the holistic nature of Catalyst's tenant and business support services however have provided an important mitigant against this risk to date.

Northern Ireland Science Park Property Limited

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows:

R A Milliken (Chairman)
J Davies (resigned 30 June 2020)
P Gilliland
Professor C Gormley-Heenan
Dr B Keating
J Wylie
S Orr

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has 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.

Directors' liabilities

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

Auditor

As the current auditors have reached the end of their tenure under existing contractual arrangements, the entity plan to re-tender for the provision of audit services in the interest of good corporate governance.

Small company exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 not to prepare a strategic report.

On behalf of the board



Philip Maguire
Company Secretary

3 December 2020

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

Northern Ireland Science Park Property Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, including its Section 1A.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Philip Maguire
Company Secretary

3 December 2020



KPMG
Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

Independent auditor's report to the members of Northern Ireland Science Park Property Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Northern Ireland Science Park Property Limited ('the Company') for the year ended 31 March 2020 set out on pages 8 to 20, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, including its Section 1A.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, including its Section 1A; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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 Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.



Independent auditor's report to the members of Northern Ireland Science Park Property Limited *(continued)*

Report on the audit of the financial statements *(continued)*

We have nothing to report on going concern *(continued)*

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.



Independent auditor's report to the members of Northern Ireland Science Park Property Limited, (continued)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Dominic Mudge (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP
Northern Ireland

9 December 2020

Northern Ireland Science Park Property Limited

Profit and loss account and other comprehensive income for year ended 31 March 2020

	Note	2020 £000	2019 £000
Turnover	2	3,099	2,809
Cost of sales		(358)	(347)
Gross profit		2,741	2,462
Administrative expenses		(2,686)	(2,556)
Other operating income	3	825	825
Operating profit		880	731
Interest payable and similar expenses	5	(610)	(614)
Profit on ordinary activities before taxation		270	117
Tax on profit on ordinary activities	6	(88)	(33)
Profit for the financial year		182	84
Other comprehensive income		-	-
Total comprehensive income		182	84

All of the results of the Company arise from continuing operations.

The Company has no other comprehensive income in the current year or previous financial year.

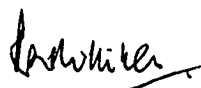
The notes on pages 11 to 20 form part of these financial statements.

Northern Ireland Science Park Property Limited

Balance sheet as at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	7	24,842		25,725	
			24,842		25,725
Current assets					
Debtors	8	1,299		822	
Cash at bank and in hand		1,218		1,264	
		2,517		2,086	
Creditors: amounts falling due within one year	9	(2,703)		(2,167)	
Net current liabilities			(186)		(81)
Total assets less current liabilities			24,656		25,644
Creditors: amounts falling due after more than one year	10	(22,526)		(23,713)	
Provisions for liabilities					
Deferred tax liability	12	(166)		(149)	
			(22,692)		(23,862)
Net assets			1,964		1,782
Capital and reserves					
Called up share capital	13	-		-	
Profit and loss account		1,964		1,782	
Shareholder's funds			1,964		1,782

These 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. These financial statements were approved by the board of directors on 3 December 2020 and were signed on its behalf by:



R A Milliken
Director

Company registered number: NI038987

The notes on pages 11 to 20 form part of these financial statements.

Northern Ireland Science Park Property Limited

Statement of changes in equity for year ended 31 March 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2018	-	1,698	1,698
Total comprehensive income for the year			
Profit	-	84	84
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	84	84
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	-	1,782	1,782
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2019	-	1,782	1,782
Total comprehensive income for the year			
Profit	-	182	182
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	182	182
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	-	1,964	1,964
	<hr/>	<hr/>	<hr/>

Northern Ireland Science Park Property Limited

Notes

forming part of the financial statements

1 Accounting policies

Northern Ireland Science Park Property Limited ("the Company") is a private company limited by shares and incorporated, registered and domiciled in Northern Ireland. The registered address is The Innovation Centre, Queen's Road, Queen's Island, Belfast, BT3 9DT and the registered number is NI038987

These financial statements were prepared in accordance with Section 1A "Small Entities" of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000. The Company's ultimate parent undertaking, Northern Ireland Science Park Foundation Limited and all its wholly owned subsidiaries have been deemed to be a Public Benefit Entity Group.

The Company's ultimate parent undertaking, Northern Ireland Science Park Foundation Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Northern Ireland Science Park Foundation Limited are available to the public and may be obtained from Companies House. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Key management personnel compensation.

As the consolidated financial statements of Northern Ireland Science Park Foundation Limited include the equivalent disclosures the Company has also taken exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments*.

The Company has availed of the exemption contained in Section 1A of FRS 102 and as a result have elected not to prepare a cash flow statement.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

In these financial statements the Company has not changed any of its accounting policies.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have considered the going concern basis of preparation including the potential impact Covid-19 could have on the operations of the Company and its financial position. Having reviewed budgets and cashflows, the directors have reasonable expectation that the Company has adequate resources available to continue in operational existence for the foreseeable future. The directors are continually monitoring developments around the pandemic and are confident that the Company is well placed to manage its business risks successfully despite the uncertain economic outlook. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Northern Ireland Science Park Property Limited

Notes (continued)

1 Accounting policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. There are no monetary or non-monetary assets and liabilities denominated in foreign currencies at the balance sheet date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, but are less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.9 below.

The Company assesses each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Northern Ireland Science Park Property Limited

Notes (continued)

1 Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|--------------------------------|-------------------------|
| • Long term leasehold property | 0.8-33.3% straight line |
| • Fixtures and fittings | 10-33.3% straight line |
| • Plant and equipment | 10-33.3% straight line |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Revaluation

As a Public Benefit Entity Group, Section 16 of FRS 102 has not been applied with respect to property held for the provision of social benefit. Consequently, all property owned by the group has been classified as tangible fixed assets.

1.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.7 Government grants

Deferred government grants are included within creditors falling after more than one year within the balance sheet. It is noted that the government grants are credited to the profit and loss over the expected useful lives of the asset to which they relate. The amortised amount released to the profit and loss is determined within that financial year based on the assets held at year end.

1.8 Turnover

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

1.9 Expenses

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Northern Ireland Science Park Property Limited

Notes (continued)

1 Accounting policies (continued)

1.9 Expenses (continued)

Interest payable

Interest payable and similar charges include interest payable, finance leases recognised in profit and loss using the effective interest method and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the construction of an asset that takes a substantial time to prepare for use are capitalised as part of the cost of that asset.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover	2020	2019
	£000	£000
Rendering of services	3,099	2,809

All turnover arises from the Northern Ireland market place.

Northern Ireland Science Park Property Limited

Notes (continued)

3 Other operating income	2020	2019
	£000	£000
Deferred grants release	825	825

4 Expenses and auditor's remuneration	2020	2019
	£000	£000

Included in operating profit are the following:

<i>Expenses</i>		
Depreciation	1,505	1,489

Auditor's remuneration costs of £4k (2019: £4k) are included in the Parent Company financial statements, Northern Ireland Science Park (Holdings) Limited.

Directors' remuneration

The directors did not receive any emoluments for services provided to the Company during the year (2019: £Nil).

Employees

The Company has no directly employed staff.

5 Interest payable and similar expenses	2020	2019
	£000	£000
Lease interest	414	423
Concourse III interest	196	191
Total interest payable and similar expenses	610	614

Northern Ireland Science Park Property Limited

Notes (continued)

6	Taxation	2020 £000	2020 £000	2019 £000	2019 £000
	Total income tax recognised in the profit and loss account				
	<i>Current tax</i>				
	Current tax on income for the period	73		26	
	Adjustments in respect of prior periods	(2)		(2)	
	Total current tax		71		24
	<i>Deferred tax (see note 12)</i>				
	Origination and reversal of timing differences	(2)		9	
	Adjustments in respect of prior periods	1		1	
	Change in tax rate	18		(1)	
	Total deferred tax		17		9
	Total tax		88		33

The tax charge for the year is higher (2019: higher) than the standards rate of corporation tax in the UK. The differences are explained below:

Reconciliation of effective tax rate	2020 £000	2019 £000
Profit for the year	182	84
Tax expense	88	33
Profit excluding taxation	270	117
Tax using the UK corporation tax rate of 19% (2019: 19%)	51	22
Non-deductible expenses	250	248
Non taxable income	(186)	(188)
Impact in change of tax rates	18	(1)
Adjustment to tax charge in respect of previous periods	(1)	(2)
Group relief surrendered not paid for	(44)	(46)
Total tax	88	33

Northern Ireland Science Park Property Limited

Notes (continued)

6 Taxation (continued)

	Current tax £000	2020 Deferred tax £000	Total tax £000	Current tax £000	2019 Deferred tax £000	Total tax £000
Recognised in profit and loss account	71	17	88	24	9	33
Total tax	71	17	88	24	9	33

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. Therefore the UK deferred tax as at 31 March 2020 has been calculated based on this rate.

7 Tangible fixed assets

	Long term leasehold property £000	Plant and equipment £000	Fixtures and fittings £000	Total £000
Cost				
Balance at 1 April 2019	40,532	42	82	40,656
Additions	622	-	-	622
Balance at 31 March 2020	41,154	42	82	41,278
Depreciation				
Balance at 1 April 2019	14,844	20	67	14,931
Depreciation charge for the year	1,479	12	14	1,505
Balance at 31 March 2020	16,323	32	81	16,436
Net book value				
At 1 April 2019	25,688	22	15	25,725
At 31 March 2020	24,831	10	1	24,842

Included in the cost of property, plant and equipment is £77k (2019: £77k) in respect of capitalised finance costs for Concourse III.

At 31 March 2020 the net carrying amount of property leased under finance lease was £3,628 (2019: £3,714k).

Included in the cost of long term leasehold property is £393k (2019: £352k) in relation to assets under construction.

Northern Ireland Science Park Property Limited

Notes (continued)

8 Debtors	2020	2019
	£000	£000
Trade debtors	321	273
Amounts owed from group undertakings	809	487
Prepayments and accrued income	169	62
	<u>1,299</u>	<u>822</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

9 Creditors: amounts falling due within one year	2020	2019
	£000	£000
Trade creditors	440	55
Corporation tax	69	24
Other taxation and social security	46	84
Accruals and deferred income	1,175	1,369
Finance lease (note 11)	500	500
Other loans	473	-
Other creditors	-	135
	<u>2,703</u>	<u>2,167</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling after more than one year	2020	2019
	£000	£000
Finance lease (note 11)	3,128	3,214
Deferred grants	12,719	13,544
Other loans	6,679	6,955
	<u>22,526</u>	<u>23,713</u>

The finance lease liability is payable over 20 years to 30 June 2036 with capital and interest repayments due quarterly in advance at an effective interest rate of 11.24%.

Other loans consist of £6,423k (2019: £6,423k) of loan from the Department for the Economy and £729k (2019: £532k) of interest provision for the construction of Concourse III which is repayable in annual instalments of £473k over 20 years from 7 May 2020 until 7 May 2039 at an interest rate of 4%.

The amortised grant amount expected to be released within one year is £825k (2019: £825k).

Northern Ireland Science Park Property Limited

Notes (continued)

11 Other interest-bearing loans and borrowings	2020	2019
	£000	£000

Finance lease liabilities

Finance lease liabilities are payable as follows:

Less than one year	500	500
Between one and five years	2,000	2,000
More than five years	5,125	5,625
	<hr/>	<hr/>
Minimum lease payments	7,625	8,125
Interest	(3,997)	(4,411)
	<hr/>	<hr/>
Principal	3,628	3,714
	<hr/>	<hr/>

12 Deferred tax	2020	2019
	£000	£000

Deferred tax liabilities are attributable to the following:

Accelerated capital allowances	166	149
	<hr/>	<hr/>

13 Capital and reserves	2020	2019
	£	£

Share capital

Shares classified in shareholder's funds

Allotted, called up and fully paid

1 ordinary share of £1	1	1
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 Commitments

Capital commitments

The Company's contractual commitments to purchase tangible fixed assets at the year end were £Nil (2019: £Nil).

Northern Ireland Science Park Property Limited

Notes (continued)

15 Contingencies

The group of which this company is a member has granted fixed charges over its present and future freehold and leasehold property and on any rents receivable 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 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 2020 the group had received capital advances totalling £25m (2019: £25m).

16 Related parties

The Company is a wholly owned subsidiary of Northern Ireland Science Park Foundation Limited, a company incorporated in Northern Ireland, whose registered office is The Innovation Centre, Queen's Road, Queen's Island, Belfast, BT3 9DT. Group financial statements for Northern Ireland Science Park Foundation Limited are prepared. The Company has taken advantage of the exemptions contained in FRS 102 not to disclose transactions, with wholly owned subsidiaries of Northern Ireland Science Park Foundation Limited.

17 Ultimate Parent Company and Parent Company of larger group

The largest and smallest group in which the results of the Company are consolidated is that headed by Northern Ireland Science Park Foundation Limited, a company incorporated in Northern Ireland, whose registered office is The Innovation Centre, Queen's Road, Queen's Island, Belfast, BT3 9DT, which is considered to be the ultimate controlling party of the Company. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Companies House.

18 Accounting estimates and judgements

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

19 Subsequent events

There were no events subsequent to the balance sheet date.