

Stevenage Bioscience Catalyst

(A company limited by guarantee)

FINANCIAL STATEMENTS

for the year ended

31 March 2013

TUESDAY



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COMPANIES HOUSE

Company Registration No 07196230

Stevenage Bioscience Catalyst

COMPANY INFORMATION

DIRECTORS	Dr Allan Baxter John Cooper Dr Martino Picardo Dr Ian Tomlinson Dr V Bouchet	(Chairman) (Appointed 1 May 2012)
COMPANY NUMBER	07196230	
REGISTERED OFFICE	Stevenage Bioscience Catalyst Gunnels Wood Road Stevenage Hertfordshire SG1 2FX	
AUDITOR	Baker Tilly UK Audit LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP	

Stevenage Bioscience Catalyst

DIRECTORS' REPORT

For the year ended 31 March 2013

The directors present their report and financial statements for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company is the management and development of an independent bioscience park

DIRECTORS

The following directors have held office since 1 April 2012

Dr Allan Baxter

John Cooper

Dr Martino Picardo

Dr Ian Tomlinson

Dr V Bouchet

(Appointed 1 May 2012)

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

STATEMENT OF DISCLOSURE TO AUDITOR

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Dr Allan Baxter

DIRECTOR

9/12/13

Stevenage Bioscience Catalyst

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 the directors have elected to prepare 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 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENAGE BIOSCIENCE CATALYST

We have audited the financial statements set out on pages 4 to 13. 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).

This 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 auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 and its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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.

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



ANDREW MONTEITH (SENIOR STATUTORY AUDITOR)

FOR AND ON BEHALF OF BAKER TILLY UK AUDIT LLP, STATUTORY AUDITOR

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

31st December 2013.

Stevenage Bioscience Catalyst

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013

	Notes	2013 £	2012 £
TURNOVER		136,300	11,626
Other operating expenses (net)	1	<u>(137,675)</u>	<u>(14,042)</u>
OPERATING LOSS		(1,375)	(2,416)
Investment income	2	<u>1,375</u>	<u>2,579</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	163
Taxation	4	<u>-</u>	<u>(163)</u>
RESULT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>-</u>	<u>-</u>

The result for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Stevenage Bioscience Catalyst

BALANCE SHEET

As at 31 March 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	5	27,132,954	27,124,679
CURRENT ASSETS			
Debtors	6	1,057,716	678,212
Cash at bank and in hand		1,051,278	2,192,930
		<u>2,108,994</u>	<u>2,871,142</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(606,537)</u>	<u>(814,502)</u>
NET CURRENT ASSETS		<u>1,502,457</u>	<u>2,056,640</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,635,411</u>	<u>29,181,319</u>
DEFERRED INCOME	8	<u>(28,635,411)</u>	<u>(29,181,319)</u>
NET ASSETS		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
MEMBERS' FUNDS	10	<u>-</u>	<u>-</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 4 to 13 were approved by the board of directors and authorised for issue on 9/12/13 and are signed on its behalf by



Dr Allan Baxter
DIRECTOR



Dr Martino Picardo
DIRECTOR

Stevenage Bioscience Catalyst

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention. The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

GOING CONCERN

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook and they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They have performed a forward looking review and are satisfied with the actions taken to support company operations for the foreseeable future, including the provision of a loan by the members to facilitate the working capital needs as required for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CASHFLOW STATEMENT

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.

TURNOVER

Turnover represents the invoiced value, net for Value Added Tax of services provided to customers. Turnover is recognised on an accruals basis. Rental income is accounted for on a straight line basis over the term of the lease to account for rent free periods.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation will be provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold buildings - Incubator	Over 40 years
Assets in the course of construction	The Accelerator building at the Science Park will be depreciated once it comes into use
Fixtures, fittings, lab equipment & installations	3-15 years

RETIREMENT BENEFITS

The company makes contributions to personal pension plans for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are only recognised to the extent that there is a reasonable expectation that taxable profits will be available against which deductible temporary timing differences can be released.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Stevenage Bioscience Catalyst

ACCOUNTING POLICIES (CONTINUED)

GRANTS RECEIVABLE

Grants on capital expenditure are credited to deferred income and are released to revenue over the expected useful life of the asset to which they relate

Grants of a revenue nature are credited to other operating income in the period to which they relate

ACCOUNTING FOR LESSOR INCOME

All laboratories leased out to customers are contracted on an operating lease basis

Stevenage Bioscience Catalyst

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1	OTHER OPERATING EXPENSES (NET)	2013 £	2012 £
	Administrative expenses	2,393,249	800,693
	Other operating income	(2,255,574)	(786,651)
		<u>137,675</u>	<u>14,042</u>
2	INVESTMENT INCOME	2013 £	2012 £
	Bank interest	<u>1,375</u>	<u>2,579</u>
3	RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 £	2012 £
	Result is stated after charging		
	Depreciation of tangible assets		
	- Owned assets	753,690	78,698
	Auditor's remuneration	10,805	10,920
	Directors' emoluments	215,628	166,260
	and after crediting		
	Grants receivable	<u>2,255,574</u>	<u>786,651</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2012 - 1)

Stevenage Bioscience Catalyst

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

4 TAXATION	2013 £	2012 £
UK Corporation tax		
Current tax on result of the period	-	-
Adjustment for prior years	-	163
CURRENT TAX CHARGE	-	163

FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than the standard rate of corporation tax for small companies (20%) as explained below

Result on ordinary activities before taxation

-	163
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Result on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)

-	42
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Effects of

Non deductible expenses	54,622	13,965
Capital allowances in excess of depreciation	(56,422)	(263,927)
Adjustments to prior year	-	163
Other timing differences	1,800	3,961
Unrelieved tax losses and other deductions	-	245,959

-	121
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CURRENT TAX CHARGE

-	163
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The company has unrecognised deferred tax balances as follows

	2013 £	2012 £
Accelerated capital allowances	(259,442)	(203,020)
Other short term timing differences	5,000	3,200
Tax losses carried forward	189,199	189,199
Net unrecognised deferred tax provision	(65,243)	(10,621)

The net deferred tax provision has not been recognised on the basis that the directors do not consider it reasonable to assume that any corporation tax will be payable in the future. Future tax of this amount would become payable on profits of £326,216 and only to the extent that any profits could not be offset by tax losses. Given the tax position highlighted above and the current trading position, a tax liability is not expected to accrue in the short to medium term.

Stevenage Bioscience Catalyst

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

5 TANGIBLE FIXED ASSETS

	Assets in the course of construction	Leasehold buildings	Fixtures, fittings, lab equipment and installations	Total
	£	£	£	£
COST				
At 1 April 2012	10,086,299	11,871,086	5,245,992	27,203,377
Additions	-	-	761,965	761,965
At 31 March 2013	10,086,299	11,871,086	6,007,957	27,965,342
DEPRECIATION				
At 1 April 2012	-	14,662	64,036	78,698
Charge for the year	-	331,579	422,111	753,690
At 31 March 2013	-	346,241	486,147	832,388
NET BOOK VALUE				
At 31 March 2013	10,086,299	11,524,845	5,521,810	27,132,954
At 31 March 2012	10,086,299	11,856,424	5,181,956	27,124,679

6 DEBTORS

	2013 £	2012 £
Trade debtors	48,641	7,880
Other debtors	1,009,075	670,332
	<u>1,057,716</u>	<u>678,212</u>

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	160,155	47,992
Taxation and social security	10,341	7,778
Other creditors	436,041	758,732
	<u>606,537</u>	<u>814,502</u>

Stevenage Bioscience Catalyst

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

8 DEFERRED INCOME

	Grants £
Balance at 1 April 2012	29,181,319
Deferred capital and operating grants received	1,709,666
Deferred operating grants released to the P&L	(1,501,884)
Deferred capital grants released to the P&L	(753,690)
Balance at 31 March 2013	<u>28,635,411</u>

The deferred income balance has been used to fully fund revenue expenditure, as well as funding for the construction of the fixed assets (see further analysis below)

Where specific grants are used to pay for the build costs of the asset, the related grants are credited to a deferred capital grant account. When the asset is brought into productive use, the related grants will be released to the profit and loss account over the expected useful economic life of the asset.

The deferred capital grants carried forward includes funding streams that have been received prior to the year end but have yet to be spent on the construction of the asset and so are carried forward to future periods.

Further information relating to the funding is as follows,

	Capital grants received and spent	Grant Funding Not yet spent	Member Funding (see note 11) Not yet spent	Total Funding
	£		£	£
Funding brought forward at 1 April 2012	26,864,376	-	2,316,943	29,181,319
Reclassification (see note below)	(78,696)		78,696	-
Funding received in the year	-	1,709,666	-	1,709,666
Transfer between member and non-member funding	-	(723,460)	723,460	-
Funding spent by the company on capital items	761,965	(701,863)	(60,102)	-
Funding utilised on overhead costs in the profit and loss	-	(284,343)	(1,217,541)	(1,501,884)
Release of capital grant	(753,690)	-	-	(753,690)
Funding deferred to future accounting periods	<u>26,793,955</u>	<u>-</u>	<u>1,841,456</u>	<u>28,635,411</u>

The deferred capital grants are secured by a fixed and floating charge over the assets of the company.

Stevenage Bioscience Catalyst

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

8 ACCRUALS AND DEFERRED INCOME (Continued)

The reclassification above is to adjust the opening balance between 'capital grants received and spent' and 'member funding not yet spent'

£723,460 of non-member funding has been received in the current year to fund capital and revenue expenditure incurred prior to 31 March 2012 and originally financed from member funding. A transfer has been made above to reflect this

The comparative figures in the related party note have also been re-stated to more accurately reflect the transactions and balances with the members

9 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS DEFINED CONTRIBUTION

The company makes contributions to personal pension plans of employees. The pension cost charge represents contributions payable by the company to these plans

	2013 £	2012 £
Contributions payable by the company for the year	15,009	12,720

10 RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2013 £	2012 £
Result for the financial year	-	-
Opening members' funds	-	-
Closing members' funds	-	-

The company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum, not exceeding £1, to the company should it be wound up. At 31 March 2013 there were 2 members (2012: 2)

Stevenage Bioscience Catalyst

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

11 RELATED PARTY TRANSACTIONS

During the period, the company received grants from its members as follows

GlaxoSmithKline paid grants to Stevenage Bioscience Catalyst in the period of £nil (2012 £3,728,000) which have been recorded in deferred income in line with the capital nature of the grant. At the balance sheet date there are £7,178,238 (2012 £7,350,000) of grants included in deferred income of which £5,478,069 (2012 £6,045,751) represents amounts spent on fixed assets and £1,700,169 (2012 £1,286,624) which represents unspent grant at the year end. £154,138 (2012 £17,625) of deferred capital grant was released to the profit and loss account in the year in line with the depreciation charged on grant funded fixed assets. There is also a creditor in Stevenage Bioscience Catalyst of £8,255 (2012 £213,255) in relation to costs incurred by GlaxoSmithKline but to be repaid by Stevenage Bioscience Catalyst which is included within other creditors. GlaxoSmithKline also lease the land, on which the buildings are situated, to Stevenage Bioscience Catalyst on a peppercorn rent.

The Wellcome Trust paid capital grants to Stevenage Bioscience Catalyst in the period of £nil (2012 £5,222,000). At the balance sheet date there are grants of £3,872,338 (2012 £5,148,010) included in deferred income, of which £3,731,050 (2012 £4,117,691) represents amounts spent on fixed assets and £141,287 (2012 £1,030,319) which is unspent at the year end. £104,980 (2012 £12,004) of deferred capital grant has been released to the profit and loss account in the year in line with the depreciation charged on grant funded fixed assets. £1,217,541 (2012 £707,953) of deferred revenue grant has been released to the profit and loss account in the year.