

ALDERLEY PARK LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

FRIDAY



AC3D4SXU

A17

12/05/2023

#9

COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2022**

	Page
Company Information	1
Strategic Report	2
Directors' Report	5
Directors' Responsibilities Statement	7
Independent Auditors' Report	8
Statement of Income and Retained Earnings	11
Statement of Financial Position	12
Notes to the Financial Statements	13

ALDERLEY PARK LIMITED

COMPANY INFORMATION

For The Year Ended 30 September 2022

DIRECTORS:

C G Oglesby
P A Crowther
K V Lawlor
S M Davies
C J Browne
K P Mackay
B L O Topps

REGISTERED OFFICE:

Union
Albert Square
Manchester
M2 6LW

REGISTERED NUMBER:

08750740 (England and Wales)

AUDITORS:

Deloitte LLP
Statutory Auditor
Four Brindley Place
Birmingham
United Kingdom
B1 2HZ

BANKERS:

HSBC Bank Plc

SOLICITORS:

Addleshaw Goddard LLP,
Manchester

ALDERLEY PARK LIMITED

STRATEGIC REPORT

For The Year Ended 30 September 2022

The directors present their strategic report together with the audited financial statements of the company for the financial year ended 30 September 2022.

BUSINESS MODEL

The principal activity of the company is the ownership, development and letting of life science and technology workspace at Alderley Park, Cheshire. Home to over 1.1m sq ft of high specification laboratory and commercial workspace, the Park offers;

- A range of coworking, chemistry and biology laboratories within the internationally recognised Mereside life science campus.
- High specification office space including 150,000 sq ft of commercial workspace within its Glasshouse development
- Specialised scientific services including Nuclear Magnetic Resonance (NMR), mass spectrometry, pre-clinical imaging and oncology
- 232 seat conference centre with adjacent meeting and breakout rooms for up to 150 people
- 400 seat restaurant and multiple 'grab and go' catering outlets
- Gym, sports facilities, walking and cycling tracks

STRATEGY, OBJECTIVES AND PRINCIPAL RISKS

Alderley Park, the UK's largest single-site life sciences campus, completed and launched 86,000 sq ft of lab space in a £20m redevelopment of existing space to create high-specification biology and chemistry containment level two (CL2) labs. The redevelopment forms part of the Park's £247m masterplan, which this year also saw planning submitted for an additional 200,000 sq ft of specialist CL2 lab and office space, bringing two new buildings to the campus, the first new build commercial spaces to be delivered since acquiring the site in 2014. Alderley Park continues to offer best-in-class life science and tech facilities to support such businesses and this year saw a number of exciting new companies relocate or expand at the Park. Leading game art studio Airship Interactive announced their new HQ in 15,000 sq ft at Glasshouse and will create 200 jobs in the next three years, multi-national cloud solutions provider SAP selected Glasshouse as its North of England hub for over 100 employees, and global cell and gene therapy business Charles River chose 17,000 sq ft for their highly specialist lab space in Mereside. These companies are collocated alongside more than 250 businesses now based at the Park, such as Sai Life Sciences, one of the fastest growing global contract research, development and manufacturing organisations, who this year expanded with a four-fold increase in their space requirements from 5,000 to 20,000 sq ft. Alderley Park continued to support the fight against Covid-19 and during the UK Government's mass Covid-19 PCR testing programme the Alderley Park Lighthouse Lab processed over 23 million PCR test samples and trained over 1,000 early career scientists.

The company is a subsidiary of Bruntwood Science Limited which holds an effective interest of 76% via Alderley Park Holdings Limited and Manchester Science Partnerships Limited. Bruntwood Science Limited produces consolidated accounts.

The site benefits from a modern, well invested infrastructure together with a highly qualified scientific community of over 2,500 people, strong links to a world class academic, health and science network and an entrepreneurial financial and professional services community.

The vision for the Park remains as outlined in the Development Framework, approved by Cheshire East Council in July 2015. The Framework enables the repositioning of Alderley Park and will encompass:

- an increased footprint of over 1.4m sq ft of workspace for life science and technology businesses, supported by appropriate business support and access to funding,
- The development of up to 275 private residential homes, and;
- A range of valuable amenities including a gastropub, restaurant and new gym with sports pitches.

The main risks associated with this strategy are:

- Securing the relevant planning consents for remodelling of the site,
- Construction risk during redevelopment,
- Letting of workspace as it becomes available,
- Transition of the site from AstraZeneca management including control of costs during vacant periods, and;
- Ability to manage, control and reduce costs associated with vacant space on the site.

ALDERLEY PARK LIMITED

STRATEGIC REPORT

For The Year Ended 30 September 2022

The key performance indicators of the company are:

- Letting of office and laboratory space as it becomes available to drive an increase in occupancy across the site. Despite the impact of the Covid-19 pandemic and working from home guidance, occupancy across the site has remained consistent at 60.4% compared to 62.1% in the prior year.
- Increase net asset value, and generate positive cash flow for reinvestment and asset growth. Despite a modest growth in Gross Asset value the Net Asset value increased by 68.3% to £55.2m, compared to £32.8m in the prior year primarily driven by the increase in deferred tax rate effected in the year.
- Improve relationships with customers and strive for increases in net promoter scores. Our Bruntwood Works net promoter score (NPS) at year end was +36, deemed 'very good' in the B2B sector. We are moving towards a soft BPS score in the future, capturing this KPI at each stage of our customer journey.
- Attract and retain the best employees, encouraging training, development and career progression.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purpose.

i) Cash flow risk

The company's activities expose it primarily to the financial risks of changes in interest rates. Exposure to interest rate risk is managed in two ways, firstly by securing low borrowing margins and secondly by hedging the company's variable interest rate exposure.

ii) Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

iii) Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments.

As with any property company that is substantially debt financed the directors consider one of the key financial risks to be the ability of the company to meet the covenant requirements of its borrowing facilities, and to successfully refinance borrowing facilities at their maturity date. The directors regularly review compliance with the covenants and the company has maintained a track record of meeting all such requirements set by its lenders, throughout its history.

On 19 March 2021 Bruntwood SciTech agreed an increase and a term extension to its three year funding deal with a club of banks formed of Lloyds, NatWest, Santander and HSBC originally entered into on 5 July 2019. The original £185m facility was increased to £280m with a view to supporting additional capital investment across the portfolio; particularly focussing on the continued redevelopment and the repurposing of the Alderley Park estate with the term extended back out to three years. The facility is secured against the assets held by Alderley Park Limited, Manchester Science Partnerships Limited, Bruntwood Platform Leeds Limited, Citylabs Limited, Bruntwood Circle Square 1 Limited, Bruntwood Circle Square 2 Limited, Bruntwood Circle Square 4 Limited, Bruntwood Circle Square 12 Limited, Bruntwood Circle Square 13 Limited, Bruntwood Circle Square Green Company, Innovation Birmingham Limited and Bruntwood SciTech Melbourn Limited.

The total facility has been granted under a green loan initiative which sees the SciTech Group secure a discount on its cost of borrowing if it meets certain green covenants. Drawings on this loan stand at £280.0m as at 30 September 2022 (2021: £244.0m), with £64.7m allocated to this company (2021: £44.6m).

ALDERLEY PARK LIMITED

STRATEGIC REPORT

For The Year Ended 30 September 2022

REVIEW OF THE YEAR

As shown in the company's Statement of Income and Retained Earnings, the profit before tax was £26.6m (2021: loss of £7.8m). Throughout the period we have continued to invest in Alderley Park to meet the objective of repurposing the site from a single occupier site to a multi-let community of life science and technology business. Turnover has continued to grow year on year as we have brought new and refurbished stock to the site although this has been offset in the financial year where, as AstraZeneca continue their decant offsite, there is a temporary increase in operating costs for the vacant space during a period of refurbishment and reletting driving the decrease in operating profit. Despite the impact of extended lockdowns/global pandemic delaying lettings activity and the continued repurposing programme the site continues to make a gross profit with the overhead required to support the future growth and development on the site resulting in an operating loss.

Further profit has arisen due to the upwards revaluation of £30.8m (2021: loss of £4.5m) as a result of our continued investment in both the infrastructure and amenity across the site. We have carried out significant infrastructure works including the development of a new Multi Story Car Park to support the future growth on site and an investment in a Combined Heat and Power system which will continue to reduce the operating costs across the site. Alongside the investment in the site infrastructure and amenity, the timing of customer vacations towards the end of the financial year has resulted in a temporary reduction in valuations which we expect to increase over the next 12 months following a refurbishment and reletting programme on that space.

The Statement of Financial Position shows that the company's shareholder funds were £55.2m at 30 September 2022 (2021: £32.8m).

FUTURE OUTLOOK

Within the next 10-15 years, it is intended that site capacity will grow to support 7,000 jobs. The intention is to build a vibrant community of life science and technology businesses working in an open innovation environment which encourages collaboration and the development of new ideas.

Looking ahead Alderley Park will also continue to roll out new scientific services and business support services, not only for companies based at the Park but from across the region and the UK.

Work will also continue on the wider development of the Park including the development of further commercial workspace and the residential homes by PH Homes, Bellway, PJ Livesey and Jones Homes.

This will not be possible without the continued support of a wide group of stakeholders. In particular the Directors are encouraged by the strong support of the MSP shareholders and the Local Authority, Cheshire East Council, who have an equity interest in the company and continue to play a key role in helping to shape the future of the park and its economic contribution to the region.

ENVIRONMENT & SUSTAINABILITY

The Bruntwood Group partners with ambitious environmental, arts and cultural organisations that make a positive change to our communities. Partnerships include bluedot, Grand Union, Leeds International Festival, InnovateHer and Enterprise Nation.

As well raising money for our nominated charities, Bruntwood colleagues have also donated over 1,375 hours (2021: 1,645) of their time through Cares Days, volunteering in their local communities. By donating their time, skills and talents to the regions and communities we operate in, our colleagues are helping our cities to continue to thrive.

EVENTS AFTER THE BALANCE SHEET DATE

We continue to monitor the impact of the Russian invasion of Ukraine on macro-economic volatility.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



.....
K V Lawlor - Director

Date: 29/03/2023

ALDERLEY PARK LIMITED

DIRECTORS' REPORT

For The Year Ended 30 September 2022

The directors present their annual report and the audited financial statements for the year ended 30 September 2022.

In accordance with S414 (C) (11) of the Companies Act 2006, included in the strategic report is information relating to the future development of the business which would otherwise be required to be contained in the directors' report.

DIVIDENDS

No dividends were distributed for the year ended 30 September 2022 (2021: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

C G Oglesby
P A Crowther
K V Lawlor
S M Davies
C J Browne
K P Mackay
B L O Topps

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors and the directors of associated companies which were made during the year and remain in force at the date of this report.

GOING CONCERN

After making enquiries, the directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

The conflict which continues following the Russian invasion of Ukraine has contributed to significant macro - economic volatility and uncertainty with high levels of inflation and increasing interest rates currently being experienced. The impact is closely monitored across the Group and measures will be taken to mitigate risks as they arise. The directors believe that the Group is well positioned to manage any further risks and short term market volatility.

The directors have assessed the impact of the above factors on all aspects of the business, focussing specifically on operations and cashflows of the company and Group. The company benefits from banking and treasury facilities with the Group and has received a letter of support from the Group and hence assessment of the ability of the entity to continue as a going concern has been performed at a group level (including stress-testing of forecasts). This stress-testing included assessing the levels of cash and available finance within the Group assuming a very significant reduction in turnover on the basis of customer default or payment plans, reduced lettings and increased vacations at break and expiry. This has been offset by factoring in identified savings in operational expenditure, and a review of uncommitted capital expenditure where necessary.

AUDITOR

Each of the directors at the date of approval of this report confirms that:

- (i) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware;
and
- (ii) the 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.


This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP Statutory Auditor has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

ALDERLEY PARK LIMITED

DIRECTORS' REPORT

For The Year Ended 30 September 2022

APPROVED AND SIGNED ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'K V Lawlor', is positioned above a dotted line.

.....
K V Lawlor - Director

Date: 29/03/2023

ALDERLEY PARK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT For The Year Ended 30 September 2022

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 Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALDERLEY PARK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Alderley Park Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the statement of financial position; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALDERLEY PARK LIMITED

Responsibilities of directors (continued)

In preparing the financial statements, the directors are responsible for 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 the directors 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 further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included building regulation and environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, IT and industry specialists regarding the opportunities and incentives that may exist within the organization for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- valuation of investment property. We challenge the principal assumptions used to derive the fair value through a number of procedures. These include the review of equivalent yields against market rates, challenge the methodology by RICS certified internal experts and substantive testing of committed rent receivable.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALDERLEY PARK LIMITED**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

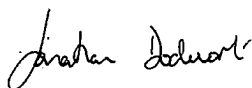
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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 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.



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham
United Kingdom

Date: 29 March 2023

ALDERLEY PARK LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS**
For The Year Ended 30 September 2022

	Notes	2022 £'000	2021 £'000
TURNOVER	2	30,304	23,992
Cost of sales		<u>(27,911)</u>	<u>(21,539)</u>
GROSS PROFIT		2,393	2,453
Administrative expenses		<u>(4,726)</u>	<u>(4,616)</u>
OPERATING LOSS	4	(2,333)	(2,163)
Gain/(loss) on revaluation of investment properties	5	30,766	(4,521)
Loss on sale of investment property	5	(2,015)	(61)
Gain on revaluation of interest rate derivatives	5	<u>2,118</u>	<u>198</u>
PROFIT BEFORE INTEREST AND TAXATION		28,536	(6,547)
Interest payable and similar expenses	6	<u>(1,978)</u>	<u>(1,291)</u>
PROFIT/(LOSS) BEFORE TAXATION		26,558	(7,838)
Tax on profit/(loss)	7	<u>(4,219)</u>	<u>(1,956)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		22,339	(9,794)
Retained earnings at beginning of year		<u>22,829</u>	<u>32,623</u>
RETAINED EARNINGS AT END OF YEAR		<u>45,168</u>	<u>22,829</u>

All of the above relate to continuing operations.

The notes form part of these financial statements

ALDERLEY PARK LIMITED (REGISTERED NUMBER: 08750740)

STATEMENT OF FINANCIAL POSITION
As at 30 September 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible fixed assets	9	211,410	168,857
Investments	10	-	-
		<u>211,410</u>	<u>168,857</u>
CURRENT ASSETS			
Debtors	11	17,309	6,566
Cash at bank		<u>1,618</u>	<u>1,348</u>
		18,927	7,914
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(96,888)</u>	<u>(90,418)</u>
NET CURRENT LIABILITIES		<u>(77,961)</u>	<u>(82,504)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		133,449	86,353
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(64,704)	(44,165)
PROVISIONS FOR LIABILITIES	15	<u>(13,577)</u>	<u>(9,359)</u>
NET ASSETS		<u>55,168</u>	<u>32,829</u>
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Retained earnings		<u>45,168</u>	<u>22,829</u>
SHAREHOLDERS' FUNDS		<u>55,168</u>	<u>32,829</u>

The financial statements of company number 08750740 were approved by the Board of Directors and authorised for issue on 29 March 2023 and were signed on its behalf by:



.....
K V Lawlor - Director

The notes form part of these financial statements

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 September 2022

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings and in accordance with United Kingdom accounting standards.

Alderley Park Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on pages 2 to 4.

The principal accounting policies adopted are described below. They have all been applied consistently throughout the current and preceding year.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going Concern

After making enquiries, the directors believe that the company has adequate resources to continue in operational existence for at least twelve months from the approval date of these financial statements. The company participates in the group's centralised treasury function and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have received confirmation that Bruntwood SciTech Limited ("Bruntwood SciTech"), the company's ultimate holding company, will continue to provide the necessary level of support to enable it to continue to operate for at least twelve months from the date of approval of these financial statements. As referenced in the directors' report the directors have assessed the impact of the war in Ukraine on all aspects of the business, focussing specifically on the operations and cashflows of the company and group. In considering the ability of Bruntwood SciTech to provide any necessary support in the context of the uncertainties all property companies face as a result of the current economic climate, the directors have obtained an understanding of Bruntwood SciTech's forecasts, the continuing availability of its facilities and its strategic and contingent plans. The directors have stress-tested these forecasts assuming a significant reduction in turnover, offset by identified and actioned operational and capital expenditure savings. The availability of on-going finance has also been considered, modelling the impact on covenants of reduced income and decreases in property valuations. Even considering reasonably likely downside scenarios there are no covenant breaches forecast.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation Exemption

The company has taken advantage of the provisions available under section 400 of the Companies Act 2006 to not prepare consolidated financial statements. The ultimate parent company, Bruntwood SciTech Limited has prepared consolidated financial statements for the year ended 30 September 2022. Copies of the consolidated financial statements are available from the registered office of Bruntwood SciTech Limited; Union, Albert Square, Manchester, M2 6LW.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company, as a qualifying entity, has taken advantage of the following disclosure exemptions in preparing these financial statements, as the relevant disclosures are made in Bruntwood SciTech Limited accounts, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover represents property rental, service charge, associated income and the appropriate allocation of rental premiums, provided in the normal course of business, net of VAT. Turnover is accounted for on an accruals basis and amounts invoiced in advance relating to the next accounting period are included in deferred income within the balance sheet. Trading property sales are accounted for on a legal completion basis.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

1. ACCOUNTING POLICIES - continued

Fixed assets

Fixed assets are shown at cost less accumulated depreciation and provision for impairment. Depreciation is provided on the following basis:

- Fixtures, fittings & IT equipment 10%-30% on cost.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is
 - (i) a fixed amount;
 - (ii) a positive fixed rate or a positive variable rate; or
 - (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that
 - (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or
 - (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

1. ACCOUNTING POLICIES - continued

ii. Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **For The Year Ended 30 September 2022**

1. ACCOUNTING POLICIES – continued

Taxation (continued)

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term. The transitional exemption available in respect of incentives offered for leases entered into before the date of transition to FRS 102 has been applied.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charge on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost and effort on an on-going basis are measured at fair value annually, with any change recognised in the income statement.

Finance Costs

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. In accordance with Section 11 of FRS 102, finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment. Investments are assessed for indicators of impairment at each statement of financial position date. If there is evidence of impairment, an impairment loss is recognised in profit or loss.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

1. ACCOUNTING POLICIES - continued

Key sources of estimation uncertainty

Investment properties

A key source of estimation uncertainty relates to the valuation of investment properties, where a valuation is obtained annually, either by professionally qualified external valuers, or by the group's own internal qualified staff. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. Key assumptions applied to the valuations are inherently subjective and so are subject to a degree of uncertainty, the key assumptions applied are described in further detail below.

A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations.

The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions. The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation outputs, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset. The reversionary yield is the return received from an asset once the estimated rental value has been captured on today's assessment of market value.

Value of investment property as at 30 September 2022 is £198.9m (2021: £156.5m). Further information can be found in note 9.

Critical Accounting Judgements

The directors do not consider there to be any critical accounting judgements in preparing these financial statements.

2. TURNOVER

	2022	2021
	£'000	£'000
Rent & related income	22,896	15,778
Service charge income	7,407	8,214
	<u>30,303</u>	<u>23,992</u>

All turnover arises from the group's principal activity in the United Kingdom and excludes Value Added Tax. Items billed in advance/arrears are carried forward/carried back in order that the revenue is recognised in the period in which the service is provided.

3. EMPLOYEES AND DIRECTORS

No direct staff costs were incurred in 2022 (2021: £nil). The company employed no staff during the year (2021: none).

The directors received no remuneration from the company during the year, having been remunerated by another group company. The amounts have not been recharged as apportionment between companies is not deemed practical (2021: £nil).

ALDERLEY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
For The Year Ended 30 September 2022**4. OPERATING LOSS**

	2022	2021
	£'000	£'000
Operating loss is stated after charging:		
Depreciation	758	156
Auditor's remuneration	17	12

There were no non-audit fees in the current year (2021: £nil).

5. EXCEPTIONAL ITEMS

In January 2022, Alderley Park Limited sold Alderley House land to PH Homes for £14.3m (50% of proceeds deferred). After fees, this resulted in a loss on sale of investment property of £2.0m.

Interest rate swaps held by the company are recorded on the balance sheet at fair value with movement in the fair value recognised in the statement of income and retained earnings. The gain relating to interest rate derivatives for the year was £2,118k (2021: £198k).

A revaluation of investment properties resulted in a gain of £30,766k. Please see note 9 for further details.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Bank loans and overdrafts	1,755	1,038
Amortisation of finance costs	<u>223</u>	<u>253</u>
	<u>1,978</u>	<u>1,291</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021
	£'000	£'000
Deferred tax:		
Timing differences, origination and reversal	5,668	(556)
Adjustments in respect of prior years	(1,449)	266
Effect of change in tax rate	<u>-</u>	<u>2,246</u>
Total deferred tax	<u>4,219</u>	<u>1,956</u>
Tax on profit/(loss)	<u>4,219</u>	<u>1,956</u>

UK corporation tax has been charged at 19% (2021 - 19%).

ALDERLEY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
For The Year Ended 30 September 2022**7. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower (PY – higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Profit/(loss) before tax	<u>26,558</u>	<u>(7,838)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	5,046	(1,489)
Effects of:		
Income not taxable for tax purposes	(74)	(74)
Adjustments to tax charge in respect of previous periods	(1,449)	266
Disallowable Expenses	16	21
Corporate interest restriction	-	476
Interest payable in tax computation not in accounts	(273)	(233)
Group relief surrendered for nil payments	5	-
Indexation allowance	27	8
Difference in tax rate	1,360	2,246
Differences on chargeable gain calculations not recognised in deferred tax	(1,527)	491
Chargeable gains	722	288
Profit/loss on disposal of non qualifying assets	383	12
Capital items in profit and loss taxed as chargeable gains	<u>(17)</u>	<u>(56)</u>
Total tax charge	<u>4,219</u>	<u>1,956</u>

On 3 March 2021, the UK Chancellor announced that the main rate of UK Corporation tax would increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. Accordingly, all deferred tax assets and liabilities have been calculated on the basis that they reverse in future at the 25% tax rate (2021: calculated at the 25% tax rate).

8. AUDITOR'S REMUNERATION

The audit fee of £17k was borne by another Bruntwood Group company and not recharged (2021: £12k).

Non audit fees were borne by another group company. The amounts have not been recharged as apportionment between companies is not deemed practical.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

9. TANGIBLE FIXED ASSETS

	Freehold property £'000	Fixtures, fittings & IT equipment £'000	Totals £'000
COST OR VALUATION			
At 1 October 2021	156,503	12,905	169,408
Additions	25,991	879	26,870
Disposals	(14,325)	-	(14,325)
Revaluations	<u>30,766</u>	<u>-</u>	<u>30,766</u>
At 30 September 2022	<u>198,935</u>	<u>13,784</u>	<u>212,719</u>
DEPRECIATION			
At 1 October 2021	-	551	551
Charge for year	<u>-</u>	<u>758</u>	<u>758</u>
At 30 September 2022	<u>-</u>	<u>1,309</u>	<u>1,309</u>
NET BOOK VALUE			
At 30 September 2022	<u>198,935</u>	<u>12,475</u>	<u>211,410</u>
At 30 September 2021	<u>156,503</u>	<u>12,354</u>	<u>168,857</u>

The historical cost of the properties at the year end is £128m for freehold properties (2021: £116m). Other fixed assets are stated at cost.

The freehold properties held by the company were valued as at 30 September 2022 by our external valuers CBRE. The valuations were undertaken in accordance with 'Red Book Principles' and were conducted on the basis of Market Value. The process included an independent senior partner review.

The Directors' Valuation Panel of the company also undertook a detailed valuation appraisal of all of the company's properties on a customer by customer basis using the same methodology as the external valuers and concur with their valuation of the portfolio which has been adopted in these accounts. The Directors' Valuation Panel comprises of the following:

C G Oglesby, Chief Executive Officer, Bruntwood Limited, qualified as a Chartered Surveyor in 1993 and has 33 years' experience in the property investment industry.

K J Crotty, Chief Financial Officer, Bruntwood Limited, Chartered Accountant, has 20 years' experience in the property investment industry.

P A Crowther, Property Director, Bruntwood Science Limited, qualified as a Chartered Surveyor in 2000 and has 27 years' experience in the property investment industry.

Investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

10. FIXED ASSET INVESTMENTS

Shares in subsidiaries

	£
COST	
At 1 October 2021 and 30 September 2022	<u>100</u>
NET BOOK VALUE	
At 30 September 2022	<u>100</u>
At 30 September 2021	<u>100</u>

Subsidiaries	Country of incorporation	Activity	Effective proportion of ordinary shares held	Registered address
Alderley Imaging Limited	United Kingdom	Dormant	100%	*

* Union, Albert Square, Manchester, M2 6LW

11. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	1,968	2,761
Amounts owed by related parties	83	707
Amounts owed by joint ventures	146	41
Other debtors and prepayments	<u>3,867</u>	<u>1,316</u>
	<u>6,064</u>	<u>4,825</u>
Amounts falling due after more than one year:		
Derivative financial instrument	2,041	-
Other debtors	<u>9,204</u>	<u>1,741</u>
	<u>11,245</u>	<u>1,741</u>
Aggregate amounts	<u>17,309</u>	<u>6,566</u>

Amounts owed by related parties and joint ventures are unsecured, interest free and repayable on demand.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	289	855
Amounts owed to related parties	2,986	-
Amounts owed to joint ventures	-	1,324
Amounts owed to group undertakings	60,781	63,705
Other creditors	10,603	2,563
VAT	128	234
Accruals	<u>22,101</u>	<u>21,737</u>
	<u>96,888</u>	<u>90,418</u>

Amounts owed to group undertakings, joint ventures and related parties are unsecured, interest free and repayable on demand.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£'000	£'000
Loans (see note 14)	64,704	44,087
Derivative financial instrument	-	78
	<u>64,704</u>	<u>44,165</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£'000	£'000
Amounts falling due in two to five years;		
Bank loan	65,000	44,590
Loan facility fees	(296)	(503)
	<u>64,704</u>	<u>44,087</u>

In March 2021, the group re-financed the bank loan maturing June 2022 and extended the three-year syndicated bank loan, which is secured via a first fixed charge over the commercial property held by Alderley Park Limited, Manchester Science Partnerships, Bruntwood Platform Leeds Limited, Citylabs Limited, Bruntwood Circle Square 1 Limited, Bruntwood Circle Square 2 Limited, Bruntwood Circle Square 4 Limited, Bruntwood Circle Square 12 Limited, Bruntwood Circle Square 13 Limited and Bruntwood Circle Square Green Company. The total facility is £280m. Drawings on this loan stand at £280m as at 30 September 2022 (2021: £244m), of which £64.7m (2021: £44.6m) has been allocated to this company. Interest rate is 2% plus LIBOR.

15. PROVISIONS FOR LIABILITIES

	2022	2021
	£'000	£'000
Deferred tax		
Capital allowances in excess of depreciation	1,106	3,270
Other short term timing differences	(228)	-
Property revaluations	19,088	13,371
Derivative contracts	510	(19)
Losses	<u>(6,899)</u>	<u>(7,263)</u>
	<u>13,577</u>	<u>9,359</u>

	Deferred tax
	£'000
Balance at 1 October 2021	9,359
Prior year adjustment	(1,450)
Current year charge	<u>5,668</u>
Balance at 30 September 2022	<u>13,577</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
		£	£	£
10,000,000	ordinary	£1	<u>10,000,000</u>	<u>10,000,000</u>

The entity has one class of ordinary share with no right to fixed income.

ALDERLEY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 30 September 2022

17. FINANCIAL COMMITMENTS

At 30 September 2022 the future minimum lease payments were receivable under non-cancellable operating leases;

	2022	2021
	£'000	£'000
Leases which expire		
Less than 1 year	7,957	5,765
Between 1 - 5 years	16,536	9,530
After 5 years	9,316	2,596
	<u>33,809</u>	<u>17,891</u>

At 30 September 2022, the company had amounts contracted for but not provided for of £9,059k for capital expenditure (2021: £4,491k)

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year ended 30 September 2022 the company entered into the following transactions with Bruntwood Group companies, related parties by nature of Bruntwood Limited being 50/50 joint venture parent of Bruntwood SciTech Group companies and Bruntwood Group being Bruntwood Limited's parent.

Income receivable in respect of service charge expenditure incurred on behalf of Bruntwood Group companies and internal rent;

	2022	2021
	£'000	£'000
Bruntwood Management Services Limited	456	836
Unify Energy Limited	2,413	253
Bruntwood Meeting Rooms Limited	-	39

Expenses payable in respect of service charge expenditure and internal rent payable;

	2022	2021
	£'000	£'000
Bruntwood Management Services Limited	12,510	13,080
Unify Energy Limited	1,523	2,320

The following amounts were outstanding at year end:

	2022	2022
	£'000	£'000
	Debtor	Creditor
Bruntwood Group Companies:		
Bruntwood Management Services Limited	146	2,896
Unify Energy Limited	4	-
	<u>150</u>	<u>2,896</u>

Other:

The University of Manchester	80	-
	<u>80</u>	<u>-</u>

ALDERLEY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
For The Year Ended 30 September 2022**18. RELATED PARTY TRANSACTIONS - continued**

	2021 £'000 Debtor	2021 £'000 Creditor
Bruntwood Group Companies:		
Bruntwood Management Services Limited	2	819
Unify Energy Limited	-	506
Bruntwood Meeting Rooms Limited	39	-
	<u>41</u>	<u>1,324</u>
 Other:		
The University of Manchester	<u>707</u>	<u> </u>
	<u>707</u>	<u> </u>

During the year the company received income from the University of Manchester of £5,153k (2021: £3,227k), in respect of rent and related income. University of Manchester is a shareholder in Manchester Science Partnerships Limited, a Bruntwood Scitech Limited subsidiary.

19. ULTIMATE CONTROLLING PARTY

Alderley Park Holdings Limited is the immediate parent company. Bruntwood SciTech Limited is the ultimate parent company and parent of the smallest group in which the company is a member for which financial statements are drawn up. Copies of the financial statements are available from the registered office, Union, Albert Square, Manchester, M2 6LW.

The directors consider there to be no ultimate controlling party. Bruntwood SciTech Limited is jointly owned by Bruntwood Limited and Legal and General Capital Investments Limited.

20. POST BALANCE SHEET EVENTS

There are no post balance sheet events.