

# **Kadans Science Partner UK Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2020

Company Number 11757869



# Kadans Science Partner UK Limited

## Company Information

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<b>Directors</b>	S J Ribbens J P Sheppard Kadans Holding B.V.
<b>Registered number</b>	11757869
<b>Registered office</b>	1 St. James Court Whitefriars Norwich Norfolk NR3 1RU
<b>Independent auditor</b>	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

# Kadans Science Partner UK Limited

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# Kadans Science Partner UK Limited

## Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for Kadans Science Partner UK Limited (the "company") and its subsidiary undertakings (together the "group") for the year ended 31 December 2020.

The comparative information within these financial statements covers the period from the company's incorporation on 9 January 2019 to 31 December 2019.

### Principal activity

Kadans activities consist of the development of, investment in, and managing of science parks combining offices with laboratories and other R&D facilities for companies in innovative sectors.

### Going concern

The financial statements of the group and company have been prepared on the basis of the going concern assumption. The directors are of the opinion that the use of this assumption is appropriate since the Covid-19 pandemic has not notably affected the group's business activity and results in 2020 (or thereafter) and the group is well positioned in terms of its balance sheet strength, liquidity, tenant base and portfolio diversification in order to cope with this crisis and the associated volatile macroeconomic and finance climate.

### Directors

The directors who served during the year were:

S J Ribbens  
Kadans Holding B.V.

J P Sheppard was appointed as a director on 12 May 2021.

### Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

### Auditor

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

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

This report was approved by the board on 16 August 2021 and signed on its behalf.



**S J Ribbens**  
Director

# **Kadans Science Partner UK Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2020**

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The directors are responsible for preparing the directors' report and the financial statements for Kadans Science Partner UK Limited (the "company") and its subsidiary undertakings (together the "group") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for Kadans Science Partner UK Limited (the "company") and its subsidiary undertakings (together the "group") for each financial year. Under that law the directors have elected to prepare the group and company 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 the group and of the profit or loss of the group 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;
- 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.

# Kadans Science Partner UK Limited

## Independent Auditor's Report to the Members of Kadans Science Partner UK Limited

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### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit 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.

We have audited the financial statements of Kadans Science Partner UK Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remain independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### 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 group's and parent 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.

# Kadans Science Partner UK Limited

## Independent Auditor's Report to the Members of Kadans Science Partner UK Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. 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 a 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.

### Other Companies Act 2006 reporting

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

# Kadans Science Partner UK Limited

## Independent Auditor's Report to the Members of Kadans Science Partner UK Limited (continued)

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### 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.

#### *Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the entities within the group that were contrary to applicable laws and regulations, including fraud.
- We considered the group's and parent company's compliance with laws and regulations that have a significant impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the group and the parent company financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of group management and the directors of the parent company as to the risks of non-compliance and any instances thereof.
- We addressed the risk of management override of internal controls, including testing a sample of journal entries based on risk criteria processed during and subsequent to the year and evaluating whether there was evidence of bias in these entries, or other accounting estimates made in the preparation of the financial statements that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# Kadans Science Partner UK Limited

## Independent Auditor's Report to the Members of Kadans Science Partner UK Limited (continued)

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### Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Christopher Wingrave*

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**Christopher Wingrave** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 17 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Kadans Science Partner UK Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2020

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Note		
Turnover		2,879,794	1,382,143
Cost of sales		(676,908)	(351,590)
<b>Gross profit</b>		<b>2,202,886</b>	<b>1,030,553</b>
Administrative expenses		(472,442)	(109,643)
Surplus/(deficit) on fair value of investment properties		11,531,729	(1,192,229)
<b>Operating profit/(loss)</b>		<b>13,262,173</b>	<b>(271,319)</b>
Interest receivable and similar income		-	492
Interest payable and similar charges	5	(3,046,883)	(1,568,392)
Fair value movements on derivative financial instruments		(338,201)	(128,651)
<b>Profit/(loss) before tax</b>		<b>9,877,089</b>	<b>(1,967,870)</b>
Tax on profit/(loss)	6	(1,980,708)	(66,078)
<b>Profit/(loss) for the financial year/period</b>		<b>7,896,381</b>	<b>(2,033,948)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year/period</b>		<b>7,896,381</b>	<b>(2,033,948)</b>

The notes on pages 12 to 26 form part of these financial statements.

# Kadans Science Partner UK Limited

Registered number: 11757869

## Consolidated Statement of Financial Position As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investment property	8		52,642,599		37,417,107
<b>Current assets</b>					
Debtors: amounts falling due within one year	9	2,153,740		370,160	
Cash and cash equivalents	10	40,147		876,617	
		<u>2,193,887</u>		<u>1,246,777</u>	
Creditors: amounts falling due within one year	11	(2,894,218)		(1,118,178)	
<b>Net current (liabilities)/assets</b>			<u>(700,331)</u>		<u>128,599</u>
<b>Total assets less current liabilities</b>			<u>51,942,268</u>		<u>37,545,706</u>
Creditors: amounts falling due after more than one year	12		(44,039,270)		(39,579,653)
<b>Provisions for liabilities</b>					
Deferred taxation	16		(2,040,564)		-
<b>Net assets/(liabilities)</b>			<u><u>5,862,434</u></u>		<u><u>(2,033,947)</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Profit and loss account	18		5,862,433		(2,033,948)
<b>Total equity</b>			<u><u>5,862,434</u></u>		<u><u>(2,033,947)</u></u>

The 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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2021



**S J Ribbens**  
Director

The notes on pages 12 to 26 form part of these financial statements.

# Kadans Science Partner UK Limited

Registered number: 11757869

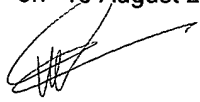
## Company Statement of Financial Position As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	7		4		3
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	9	19,299,213		18,681,750	
Debtors: amounts falling due within one year	9	2,460,714		239,000	
Cash and cash equivalents	10	22,437		285,273	
		<u>21,782,364</u>		<u>19,206,023</u>	
Creditors: amounts falling due within one year	11	(998,196)		(346,092)	
<b>Net current assets</b>			<u>20,784,168</u>		<u>18,859,931</u>
<b>Total assets less current liabilities</b>			<u>20,784,172</u>		<u>18,859,934</u>
Creditors: amounts falling due after more than one year	12		(21,325,068)		(18,988,993)
<b>Net liabilities</b>			<u>(540,896)</u>		<u>(129,059)</u>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Profit and loss account	18		(540,897)		(129,060)
<b>Total equity</b>			<u>(540,896)</u>		<u>(129,059)</u>

The company's 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.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £411,837 (period ended 31 December 2019 - £129,060).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2021



**S J Ribbens**  
Director

The notes on pages 12 to 26 form part of these financial statements.

# Kadans Science Partner UK Limited

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1	(2,033,948)	(2,033,947)
<b>Comprehensive income for the year</b>			
Profit for the year	-	7,896,381	7,896,381
<b>Total comprehensive income for the year</b>	-	7,896,381	7,896,381
<b>At 31 December 2020</b>	<b>1</b>	<b>5,862,433</b>	<b>5,862,434</b>

## Consolidated Statement of Changes in Equity For the Period Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 9 January 2019	-	-	-
<b>Comprehensive loss for the period</b>			
Loss for the period	-	(2,033,948)	(2,033,948)
<b>Total comprehensive loss for the period</b>	-	(2,033,948)	(2,033,948)
Shares issued during the period	1	-	1
<b>At 31 December 2019</b>	<b>1</b>	<b>(2,033,948)</b>	<b>(2,033,947)</b>

The notes on pages 12 to 26 form part of these financial statements.

## Kadans Science Partner UK Limited

### Company Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1	(129,060)	(129,059)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(411,837)	(411,837)
	-	(411,837)	(411,837)
<b>Total comprehensive loss for the year</b>			
	-	(411,837)	(411,837)
<b>At 31 December 2020</b>	<b>1</b>	<b>(540,897)</b>	<b>(540,896)</b>

### Company Statement of Changes in Equity For the Period Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 9 January 2019	-	-	-
<b>Comprehensive loss for the period</b>			
Loss for the period	-	(129,060)	(129,060)
	-	(129,060)	(129,060)
<b>Total comprehensive loss for the period</b>			
	-	(129,060)	(129,060)
Shares issued during the period	1	-	1
<b>At 31 December 2019</b>	<b>1</b>	<b>(129,060)</b>	<b>(129,059)</b>

The notes on pages 12 to 26 form part of these financial statements.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 1. General information

Kadans Science Partner UK Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activity are set out in the directors' report. The principal activity of the company is to act as a holding and financing company for its subsidiary undertakings.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliation's for the group and the parent company would be identical.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

#### 2.3 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.4 Going concern

The financial statements of the group and parent company have been prepared on the basis of the going concern assumption. The directors are of the opinion that the use of this assumption is appropriate since the Covid-19 pandemic has not notably affected the group's business activity and results in 2020 (or thereafter) and the group is well positioned in terms of its balance sheet strength, liquidity, tenant base and portfolio diversification in order to cope with this crisis and the associated volatile macroeconomic and finance climate.

Although the group has net current liabilities, there is sufficient liquidity available from existing facilities and cash flows to continue the business; annual interest on shareholder loans (paid-in-kind) does not involve and outgoing cash flow and the group's operating cash flow is positive. Furthermore, the group is financed by long-term bank and shareholder loans which have only limited capital repayment obligations ahead of their maturity in 2024. The directors are therefore of the opinion that the group and parent company will be able to satisfy their liabilities as they fall due for the foreseeable future, being at least 12 months from the date of approval of these financial statements..

#### 2.5 Turnover

Turnover is recognised at fair value of the consideration received or receivable for the sale of goods and added services to external customers in the ordinary course of business. Turnover is shown net of Value Added Tax.

Turnover comprises rents receivable on the group's investment properties, which is measured on a straight line basis, taking account of any lease incentives over the lease term.

#### 2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.7 Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value. Fair value is determined by suitably qualified individuals and approved by the directors. The fair value is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Properties under construction are initially measured at cost and subsequently measured at fair value where a reliable measure of fair value is available without undue costs or effort. Changes in fair value are recognised in profit or loss.

#### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.



# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.9 Financial instruments

The group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss. The group does not currently apply hedge accounting for interest rate swaps.

#### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported value of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The accounting policies which in the opinion of management are the most critical for the purpose of presenting the financial position and require estimates and assumptions are those in respect of investment property and derivative financial instruments. Further details are provided in notes 8 and 15.

### 4. Employees

The group and company have no employees.

During the current and preceding period, the directors (who are considered to be the key management personnel) received no emoluments from the group.

### 5. Interest payable and similar charges

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Interest on bank loans and overdrafts	646,306	371,779
Interest on shareholder loans	2,571,804	1,156,236
Amortisation of loan issue costs	80,360	40,377
	<b>3,298,470</b>	<b>1,568,392</b>
Interest capitalised into property under construction	(251,587)	-
	<b>3,046,883</b>	<b>1,568,392</b>

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 6. Taxation

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
<b>Corporation tax</b>		
Current tax on profits/(losses) for the year/period	6,222	66,078
Adjustments in respect of previous periods	(66,078)	-
<b>Total current tax</b>	<b>(59,856)</b>	<b>66,078</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,040,564	-
<b>Total deferred tax</b>	<b>2,040,564</b>	<b>-</b>
<b>Taxation on profit on ordinary activities</b>	<b>1,980,708</b>	<b>66,078</b>

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period varies from the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Profit/(loss) on ordinary activities before tax	9,877,089	(1,967,870)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,876,647	(373,895)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	469,616	468,649
Capital allowances for year/period in excess of depreciation	(24,341)	(28,676)
Fixed asset differences	(177,585)	-
Tax losses utilised	(97,551)	-
Adjustments in respect of previous periods	(66,078)	-
<b>Total tax charge for the year/period</b>	<b>1,980,708</b>	<b>66,078</b>

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 6. Taxation (continued)

#### Factors that may affect future tax charges

A change in the main UK corporation tax rate was announced in the Budget on 3 March 2021, but as this new law was enacted after the reporting date its effects are not included in these financial statements. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the group's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the group's future tax liabilities accordingly.

### 7. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	3
Additions	1
At 31 December 2020	<u>4</u>
<b>Net book value</b>	
At 31 December 2020	<u>4</u>
At 31 December 2019	<u>3</u>

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 7. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Kadans Science Partner 1 UK Limited	1 St. James Court, Whitefriars, Norwich, Norfolk, NR3 1RU	Ordinary	100%
Kadans Science Partner 2 UK Limited	1 St. James Court, Whitefriars, Norwich, Norfolk, NR3 1RU	Ordinary	100%
Kadans Science Partner 3 UK Limited	1 St. James Court, Whitefriars, Norwich, Norfolk, NR3 1RU	Ordinary	100%
Kadans Science Partner 4 UK Limited	1 St. James Court, Whitefriars, Norwich, Norfolk, NR3 1RU	Ordinary	100%

The principal activity of each subsidiary listed above consists of the development of, investment in, and managing of science parks combining offices with laboratories and other R&D facilities for companies in innovative sectors.

Kadans Science Partner 1 UK Limited, Kadans Science Partner 2 UK Limited and Kadans Science Partner 3 UK Limited are exempt from the requirement of the Companies Act 2006 relating to the audit of their individual financial statements for the year ended 31 December 2020 by virtue of section 479A of that Act. The company has provided each of these subsidiaries with a guarantee under section 479C of the Act thereby undertaking to guarantee all outstanding liabilities to which each subsidiary company is subject at the end of the financial year. At 31 December 2020, the aggregate net liabilities of those subsidiary undertakings with net liabilities amounted to £1,230,641 (2019 - £3,076,028).

Kadans Science Partner 4 UK Limited was incorporated on 28 October 2020 and will prepare its first individual financial statements for the period ending 31 December 2021.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 8. Investment property

#### Group

	Long term leasehold investment property £	Freehold investment property under construction £	Total £
<b>Valuation</b>			
At 1 January 2020	30,938,105	6,479,002	37,417,107
Additions at cost	48,598	3,645,165	3,693,763
Surplus on revaluation	4,673,737	6,857,992	11,531,729
<b>At 31 December 2020</b>	<b>35,660,440</b>	<b>16,982,159</b>	<b>52,642,599</b>

The historical cost of the investment property is £42,111,179 (2019 - £38,609,336).

The investment properties are held at fair value as at 31 December 2020 based on internal valuations performed by suitably qualified individuals and approved by directors. In undertaking these valuations, the internal valuer has reference to the valuations that were undertaken by an independent expert in October 2020.

The group's completed investment properties were valued using a yield methodology approach and the group's property under construction was valued using a residual valuation approach. The significant unobservable inputs used in the valuations at 31 December 2020 were, where relevant, the estimated rental value (ERV) and the market capitalisation rate (yield) of the properties in their completed state, any estimated costs to complete and the assumed developer's margin on those costs. The ERVs ranged from £13.50 to £40.00 per square foot and were determined by reference to rents currently achieved on existing leases and the rents being asked by landlords advertising properties of a similar specification in that geographical region. The yields ranged from 4.75% to 9.50% and were determined by reference to evidence derived from comparable market transactions. Estimated costs to complete were determined by reference to the latest development forecasts and the developer's margin assumption was set at 10% based on industry norms. A decrease in the ERV or an increase in the yield, estimated costs to complete or developer's margin will typically result in a decrease in the fair value of the property.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 9. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Amounts falling due after more than one year</b>				
Loans from subsidiary undertakings	-	-	19,299,213	18,681,750
	<u>2,153,740</u>	<u>370,160</u>	<u>2,460,714</u>	<u>239,000</u>
<b>Amounts falling due within one year</b>				
Trade debtors	214,392	12,514	-	-
Amounts due from subsidiary undertakings	20,276	-	2,368,904	239,000
Other debtors	954,110	262,678	1,271	-
Prepayments and accrued income	964,962	94,968	-	-
Deferred taxation	-	-	90,539	-
	<u>2,153,740</u>	<u>370,160</u>	<u>2,460,714</u>	<u>239,000</u>

The loans due from subsidiary undertakings represent the onward lending of the company's bank loan to its subsidiary undertakings. They do not have any fixed terms of repayment but are due to be called for repayment as the bank loan falls due for repayment. They have therefore been classified as being due within one year or after one year on this basis. Interest is charged on these amounts at the same rate as charged by the bank, being LIBOR + 2.5%.

### 10. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	40,147	876,617	22,437	285,273



# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 11. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	160,105	158,103	255,144	239,000
Trade creditors	1,478,918	425,617	8,746	5,438
Amounts owed to group undertakings	673,750	-	560,909	-
Corporation tax	6,225	66,078	-	-
Other creditors	137,177	-	137,177	-
Accruals and deferred income	438,043	468,380	36,220	101,654
	<u>2,894,218</u>	<u>1,118,178</u>	<u>998,196</u>	<u>346,092</u>

### 12. Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	18,830,232	18,418,836	19,044,070	18,681,750
Shareholder loans	22,928,040	15,356,236	-	-
Amounts owed to group undertakings	1,814,146	5,675,930	1,814,146	178,592
Derivative financial instruments	466,852	128,651	466,852	128,651
	<u>44,039,270</u>	<u>39,579,653</u>	<u>21,325,068</u>	<u>18,988,993</u>

Amounts owed to group undertakings are subordinated to the bank loan and have therefore been classified as due for payment in more than one year.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 13. Loans

#### Group

Analysis of the maturity of loans is given below:

	Bank loan 2020 £	Shareholder loans 2020 £	Total 2020 £	Bank loan 2019 £	Shareholder loans 2019 £	Total 2019 £
Amounts falling due within one year	160,105	-	160,105	159,028	-	159,028
Amounts falling due 1-2 years	160,105	-	160,105	159,028	-	159,028
Amounts falling due 2-5 years	18,670,127	22,928,040	41,598,167	18,258,883	15,356,236	33,615,119
	<u>18,990,337</u>	<u>22,928,040</u>	<u>41,918,377</u>	<u>18,576,939</u>	<u>15,356,236</u>	<u>33,933,175</u>

#### Company

Analysis of the maturity of loans is given below:

	Bank loan 2020 £	Total 2020 £	Bank loan 2019 £	Total 2019 £
Amounts falling due within one year	255,144	255,144	239,000	239,000
Amounts falling due 1-2 years	255,144	255,144	239,000	239,000
Amounts falling due 2-5 years	18,788,926	18,788,926	18,442,750	18,442,750
	<u>19,299,214</u>	<u>19,299,214</u>	<u>18,920,750</u>	<u>18,920,750</u>

The bank loan is secured by a fixed and floating charge over the assets of the group, including the investment properties, and is repayable in quarterly instalments of £63,786 with a final maturity date of March 2024. Interest is payable at a variable rate of LIBOR + 2.5%, although the company has separately entered into an interest rate swap agreement to partially hedge the cash flow risk arising.

The other loans comprise £13,416,164 (2019 - £11,998,136) that was provided by OCM Luxembourg EPF IV Kadans Topco S.À.R.L., a shareholder of the wider group, and £9,511,876 (2019 - £3,358,100) provided by Kadans Holding B.V., the immediate parent company. These loans are subordinated to the bank loan and repayable in full in March 2024 and July 2024 respectively. On 31 December 2020 the loans from OCM Luxembourg EPF IV Kadans Topco S.À.R.L. were assigned to Life Science One B.V. when that company acquired the shares of Kadans Holding B.V.

Interest was payable on the shareholder loans at a fixed rate of 11.625% per annum during the year and was capable of being rolled up into the loan capital rather than being paid in cash. During the year ended 31 December 2020, interest payable of £1,418,028 (2019 - £998,136) accrued to OCM Luxembourg EPF IV Kadans Topco S.À.R.L. and interest payable of £1,153,776 (2019 - £158,100) accrued to Kadans Holding B.V.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 14. Loans (continued)

From 31 December 2020, the interest rate on the shareholder loans is yet to be determined based on transfer pricing analysis. Interest will be payable or accrued on a quarterly basis. No revised amortisation schedule has been agreed upon so the loans currently remain repayable in full in 2024. No collateral has been provided.

### 15. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial liabilities</b>				
Derivative financial instruments measured at fair value through profit or loss	<b>(466,852)</b>	(128,651)	<b>(466,852)</b>	(128,651)

Financial liabilities measured at fair value through profit or loss comprise of interest rate swaps. The fair value of interest rate swaps is determined by using calculation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. All significant inputs required to measure fair value are observable.

### 16. Deferred taxation

#### Group

	2020 £
At beginning of year	-
Charged to profit or loss	2,040,564
<b>At end of year</b>	<b>2,040,564</b>

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 16. Deferred taxation (continued)

#### Company

	2020 £
At beginning of year	-
Credited to profit or loss	(90,539)
<b>At end of year</b>	<b>(90,539)</b>

The deferred taxation balance is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Investment property valuations	(2,040,564)	-	-	-
Tax losses	-	-	(90,539)	-

### 17. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	1	1

### 18. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 19. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with other wholly owned undertakings within the group of which it is a member.

# Kadans Science Partner UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 20. Ultimate parent undertaking and controlling party

The company's immediate parent company is Kadans Holding B.V., a company registered in the Netherlands and the head of the smallest and largest group in which the results of company for the year ended 31 December 2020 are consolidated. The consolidated accounts of Kadans Holding B.V. are available to the public and may be obtained from the company's registered office.

In the opinion of the directors, OCM Luxembourg EPF IV Kadans Topco S.à.r.l was the ultimate controlling party of the company throughout the year. On 31 December 2020, the issued share capital of Kadans Holding B.V. was acquired by Life Science One B.V., a company incorporated in the Netherlands and the ultimate controlling party changed to AXA SA, a company registered in France. The financial information of the company has been included in the consolidated financial statements of both Life Science One B.V. and AXA SA from this date.

### 21. Post balance sheet events

Subsequent to the reporting date the group has acquired a further four investment properties. The total purchase consideration was £45.2m, which was initially funded through new shareholder loans from Life Science One B.V.

On 31 March 2021, the company agreed an amendment to its bank loan facility agreement which resulted in an additional £6.7m investment loan facility and a £9.7m development loan facility being made available. The requirement to make the quarterly capital repayments under this facility (as disclosed in note 13) was also removed from this date such that the entire loan balance is now due for repayment in March 2024.