

REGISTERED NUMBER: 12631538 (England and Wales)

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

**ANNUAL REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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For The Year Ended 30 September 2022**

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**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

COMPANY INFORMATION
For The Year Ended 30 September 2022

DIRECTORS:

K V Lawlor
B L O Topps
P A Crowther
K P Mackay

REGISTERED OFFICE:

Union
Albert Square
Manchester
M2 6LW

REGISTERED NUMBER:

12631538 (England and Wales)

AUDITOR:

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

**REPORT OF THE DIRECTORS
For The Year Ended 30 September 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property investment.

DIRECTORS

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

K V Lawlor
B L O Topps
P A Crowther

Other changes in directors holding office are as follows:

D J Hardman - resigned 31 December 2021
K P Mackay - appointed 1 January 2022

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors 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 vacancies 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.

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

**REPORT OF THE DIRECTORS
For The Year Ended 30 September 2022**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



.....
K V Lawlor - Director

Date: ...29/03/2023.....

**BIRMINGHAM HEALTH INNOVATION CAMPUS
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; 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 AUDITOR'S REPORT TO THE MEMBERS OF
BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Birmingham Health Innovation Campus 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 10.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM HEALTH INNOVATION CAMPUS LIMITED

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 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 about their own identification and assessment of the risks of irregularities.

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 organisation 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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.

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 report of the directors for the financial period 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the report of the directors.

Matters on which we are required to report by exception

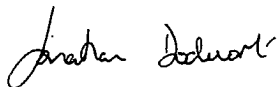
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; 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.

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

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

	Year Ended 30.9.22 £'000	Period 29.5.20 to 30.9.21 £'000
TURNOVER	<u>3</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	3	-
Taxation	<u>5</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	<u>8</u>	<u>-</u>
RETAINED EARNINGS AT END OF YEAR	<u>8</u>	<u>-</u>

CONTINUING OPERATIONS

All of the above relate to continuing operations.

There are no items of other comprehensive income in the current period and therefore no separate statement of comprehensive income has been presented.

The notes form part of these financial statements

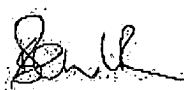
**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED (REGISTERED NUMBER: 12631538)**

**STATEMENT OF FINANCIAL POSITION
As at 30 September 2022**

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	5	4,336	4,329
Investments	6	<u>7,790</u>	<u>-</u>
		<u>12,126</u>	<u>4,329</u>
CURRENT ASSETS			
Debtors	7	5	3,344
Cash at bank		<u>2</u>	<u>763</u>
		7	4,107
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(12,125)</u>	<u>(8,436)</u>
NET CURRENT LIABILITIES		<u>(12,118)</u>	<u>(4,329)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital		-	-
Retained earnings		<u>8</u>	<u>-</u>
		<u>8</u>	<u>-</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on29/03/2023..... and were signed on its behalf by:



.....
K V Lawlor - Director

The notes form part of these financial statements

**BIRMINGHAM HEALTH INNOVATION CAMPUS
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 Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Birmingham Health Innovation Campus 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 Report of the directors on pages 2 to 3.

The functional currency of the company is considered to be pounds sterling because that is the currency of 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"), 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 current uncertainty around the Russian invasion of 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 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'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 2021. Copies of the consolidated financial statements are available from the registered office of Bruntwood Scitech Limited, Union, Albert Square, Manchester, M2 6LW.

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. Development income is recognised in accordance with construction contracts policy below.

Investment in subsidiaries

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

1. ACCOUNTING POLICIES - continued

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

1. ACCOUNTING POLICIES - continued

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.

**BIRMINGHAM HEALTH INNOVATION CAMPUS
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.

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.

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.

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

2. CRITICAL ACCOUNTING JUDGEMENTS

The Directors do not consider there to be any critical accounting judgements.

Investment Property

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 £4,336k. Further information can be found in note 5.

3. EMPLOYEES AND DIRECTORS

The company has no employees other than directors (2021: nil)

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

4. AUDITOR'S REMUNERATION

The audit fee of £7.5k was borne by another Bruntwood Group Company and not recharged (2021: £6k).

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

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

5. TANGIBLE FIXED ASSETS

	Long leasehold £'000
COST	
At 1 October 2021	4,329
Additions	17,609
Transfer to group companies	<u>(17,602)</u>
At 30 September 2022	<u>4,336</u>
NET BOOK VALUE	
At 30 September 2022	<u>4,336</u>
At 30 September 2021	<u>4,329</u>

The historical cost of the group properties at the period end is £4,336k for leasehold properties (2021: £4,329k).

The leasehold investment properties 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 the group's properties on a customer by customer basis using the same methodology as the external valuer 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.

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.

6. FIXED ASSET INVESTMENTS

	Loans to group undertakings £'000
New in year	<u>7,790</u>
At 30 September 2022	<u>7,790</u>

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

6. FIXED ASSET INVESTMENTS - continued

	Shares in subsidiaries £
COST	
As at 29 May 2020 and 30 September 2021	<u>1</u>
NET BOOK VALUE	
As at 29 May 2020 and 30 September 2021	<u>1</u>
Additional information on subsidiaries	

Subsidiaries	Country of incorporation	Activity	Effective Proportion of ordinary shares held
BHIC 1 Limited	United Kingdom	Dormant	100% *

* Registered address: Union, Albert Square, Manchester, M2 6LW

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

7. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	-	775
Other debtors	<u>-</u>	<u>2,569</u>
	<u>-</u>	<u>3,344</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>5</u>	<u>-</u>
Aggregate amounts	<u>5</u>	<u>3,344</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	10	895
Amounts owed to group undertakings	11,415	4,019
VAT creditor	1	-
Other creditors	<u>699</u>	<u>3,522</u>
	<u>12,125</u>	<u>8,436</u>

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

**BIRMINGHAM HEALTH INNOVATION CAMPUS
LIMITED**

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

9. RELATED PARTY DISCLOSURES

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. There were no other related party transactions during the period.

10. ULTIMATE CONTROLLING PARTY

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.