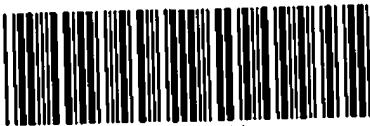


Company registration number NI039294 (Northern Ireland)

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

TUESDAY



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BELFAST
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RECEPTION DESK

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	N Crockett E Graham Dr. B Keating G Kindlon S Orr J Wylie C Langford C Jessup J Walker PA Hannigan Professor M Ferguson D Armstrong	(Appointed 1 June 2022) (Appointed 1 June 2022) (Appointed 1 January 2023)
Secretary	J Carew	
Company number	NI039294	
Registered office	The Innovation Centre Queens Road Belfast Co. Antrim Northern Ireland BT3 9DT	
Auditor	FPM Accountants Limited 1 - 3 Arthur Street Belfast Co. Antrim Northern Ireland BT1 4GA	
Bankers	Bank of Ireland 1 Donegal Square South Belfast Co. Antrim Northern Ireland BT1 5LR	
Solicitors	Cleaver Fulton Rankin 50 Bedford Street Belfast Co. Antrim Northern Ireland BT2 7FW	

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

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NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of the provision of efficient management of the assets of the Northern Ireland Science Park Foundation Limited Group ("the group") whilst ensuring that the objectives of the group are met.

Northern Ireland Science Park Foundation Limited is the parent company of Northern Ireland Science Park (Holdings) Limited, which, in turn is the parent company of Northern Ireland Science Park Property Limited and North West Regional Science Park Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by Northern Ireland Science Park Foundation Limited, incorporated in Northern Ireland whose registered office is The Innovation Centre, Queen's Road, Queen's Island, Belfast, BT3 9DT. The consolidated financial statements of this group are available to the public and may be obtained from Companies House.

Strategy

Catalyst is the trading name of Northern Ireland Science Park Foundation Limited and subsidiary companies.

At Catalyst our vision is "Opportunity for all from world-leading innovation" and our mission is that "We make it easy for you to innovate". Our aim is that Catalyst will be a major agent in this transformation, working collaboratively with all who share our vision.

At Catalyst our people are our most important asset and our values are pivotal to recruiting and retaining the best talent who have our vision at their heart. Our values of integrity, passion and 'be bold' are at the heart of all we do.

Catalyst is a "not-for-profit" that focuses on three pillars:

- **Future Workspace**
We set the standard for innovation workspace and on-campus amenities working with partners to build an Innovation District.
- **Entrepreneurship & Scaling**
We exist so that on-campus and off-campus partners and entrepreneurs realise significant value to their work and wellbeing because they belong to the Catalyst Community.
- **Open Innovation**
We focus on incubating and growing industry clusters to over 500 companies in each cluster through strategic partnerships with key institutions.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal activities (continued)

Our proven model invests the surpluses generated from our agile connected workspace and facilities to provide the underwriting, supplemented by both financial and pro-bono support from the private sector and sponsors, necessary for the community-led development of our entrepreneurial innovation ecosystem.

Real estate

The group owns and operates seven buildings providing 285,244 sq. ft of agile connected work-space and event space, with space available from one desk to an entire building on flexible lease terms from one month upwards.

Entrepreneurship & Scaling

We believe that entrepreneurs are the most important people to the future of Northern Ireland's economy. Being an entrepreneur is challenging so we provide a way for our most experienced people to volunteer their time, share their experiences, contacts and collective intelligence to give our entrepreneurs an advantage. The result is a powerful network; a community of researchers, experienced entrepreneurs, executives, investors, legal and financial experts, and our diaspora united together to help make our most promising entrepreneurs more successful.

Our partnership model enables Northern Ireland's main knowledge economy stakeholders not just to support with cash but to set the direction and create the conditions for the grassroots volunteer effort to flourish. With the support of these parties the Board has established a Catalyst Leadership Advisory Group as a sub-committee of the Board.

Catalyst has created an extensive network which at 31 March 2023 includes:

- The two local universities and the ATU, with several other public research organisations;
- Schools and further education colleges in Northern Ireland;
- Elected officials for Northern Ireland and their executives;
- Nearly 100 associates and license holders and scores of regular, but casual, users of Catalyst facilities including investors, business organisations, teacher organisations and politicians;
- 23 leaseholders, of whom 17 are "flagships" (tenant with over 5,000 sq. ft extending over 10 years); Global Corporates who came on acquisition of a local start-up include Aveva, Cisco, IBM, NEC, Qualcomm Telefonica; Others who grew here from small trial investments include AllState, Citi, L&T InfoTech, NantHealth, SAP;
- Approximately 900 would-be entrepreneurs with knowledge-based business ideas and new start-ups;
- A substantial volunteer force of experienced and successful entrepreneurs and business professional organisations;
- Funders of early-stage ventures in Northern Ireland and elsewhere with support programmes to encourage and facilitate engagement; and
- Business and professional organisations (e.g HIRANI, Fintech NI, CAI, CBI, etc.).

Catalyst operates a very successful business creation and acceleration programme with the full support of the research community, the business community and the Government, while also supporting investment in those and other companies through our own Funding programme.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Results and dividends

The loss for the financial year before tax amounted to £344k (2022: profit of £100k). The directors are satisfied the results of the Company for the year are as expected and are in line with the plan for the year to support local employment, programmes and project activities to invest in future growth and continued development of the entrepreneurial innovation ecosystem. The results of the company are loss making at EBITDA and at operating levels. There are strong positive cash balances and overall positive net assets despite the company having net current liabilities. The directors do not recommend the payment of a dividend (2022: £Nil).

Going Concern

In carrying out their duties in respect of going concern, the Directors have carried out a review of the financial position of the company for a period of twelve months from the date of signing these financial statements. These have been based on a review of revenue and expenditure, considering specific business risks and the uncertainties brought about by the current economic environment. The performance and financial position of the company are detailed on pages 11-13.

At the current time the company has sufficient financial support to meet its ongoing working capital requirements. The company will be supported by its ultimate parent entity, Northern Ireland Science Park Foundation Limited, who have confirmed sufficient resources will be made available to the company for at least the next twelve months.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Crockett	
E Graham	
Dr. B Keating	
G Kindlon	
S Orr	
J Wylie	
S Wray	(Resigned 30 June 2023)
C Langford	
C Jessup	
J Walker	
PA Hannigan	(Appointed 1 June 2022)
Professor M Ferguson	(Appointed 1 June 2022)
C Colhoun	(Resigned 30 June 2022)
A McKitchie	(Resigned 30 June 2022)
D Armstrong	(Appointed 1 January 2023)

Political donations

The Company has made no political donations or incurred any political expenditure during the year (2022: £Nil).

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Auditor

In accordance with the company's articles, a resolution proposing that FPM Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

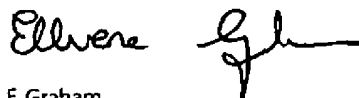
Small companies exemption

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

By order of the board



J Carew
Secretary



E Graham
Director

27 September 2023

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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). 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;
- 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.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Northern Ireland Science Park (Holdings) Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss 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.

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 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.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

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.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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 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, 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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN IRELAND SCIENCE PARK (HOLDINGS) 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

We obtained an understanding of the legal and regulatory framework applicable to the company through enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the company – Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

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

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.

Teresa Campbell

Teresa Campbell (Senior Statutory Auditor)

For and on behalf of FPM Accountants Limited

Chartered Accountants

Statutory Auditors

1 - 3 Arthur Street

Belfast

Co. Antrim

Northern Ireland

BT1 4GA

27 September 2023

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£000	£000
Turnover	2	6,519	5,739
Cost of sales		(436)	(386)
Gross profit		6,083	5,353
Distribution costs		(1,450)	(1,232)
Administrative expenses		(4,948)	(4,000)
Operating (loss)/profit		(315)	121
Interest payable and similar expenses	6	(29)	(21)
(Loss)/profit before taxation		(344)	100
Tax on (loss)/profit	7	63	5
(Loss)/profit for the financial year		(281)	105

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£000	£000
Fixed assets			
Tangible assets	8	631	393
Current assets			
Debtors	11	1,306	2,274
Cash at bank and in hand		255	627
		<u>1,561</u>	<u>2,901</u>
Creditors: amounts falling due within one year	12	<u>(1,691)</u>	<u>(2,280)</u>
Net current (liabilities)/assets		<u>(130)</u>	<u>621</u>
Total assets less current liabilities		<u>501</u>	<u>1,014</u>
Creditors: amounts falling due after more than one year	14	<u>(407)</u>	<u>(580)</u>
Provisions for liabilities		<u>-</u>	<u>(59)</u>
Net assets		<u><u>94</u></u>	<u><u>375</u></u>
Capital and reserves			
Profit and loss reserves		<u>94</u>	<u>375</u>
Total equity		<u><u>94</u></u>	<u><u>375</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:



E Graham
Director

Company Registration No. NI039294

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 April 2021	-	270	270
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	105	105
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	-	375	375
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(281)	(281)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	-	94	94
	<hr/>	<hr/>	<hr/>

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Northern Ireland Science Park (Holdings) Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is The Innovation Centre, Queens Road, Belfast, Antrim, Northern Ireland, BT3 9DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long term leasehold property	10-33.3% Straight Line
Plant and equipment	10-33.3% Straight Line
Fixtures and fittings	10-33.3% Straight Line

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Turnover

	2023	2022
	£000	£000
Turnover analysed by class of business		
Rent	1,751	1,299
Service charge	1,119	1,255
Projects	1,672	1,616
Other	1,977	1,569
	<u>6,519</u>	<u>5,739</u>

3 Auditor's remuneration

	2023	2022
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	2	2
Audit of the financial statements of the company's subsidiaries	6	6
	<u>8</u>	<u>8</u>
For other services		
Audit-related assurance services	7	7
Taxation compliance services	4	4
	<u>11</u>	<u>11</u>

4 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2023	2022
	Number	Number
Finance and administration	15	11
Property	4	4
Projects	25	25
	<u>44</u>	<u>40</u>
Total		

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2023	2022
		£000	£000
	Wages and salaries	2,283	1,896
	Social security costs	255	204
	Pension costs	264	256
		<u>2,802</u>	<u>2,356</u>
5	Directors' remuneration		
		2023	2022
		£000	£000
	Remuneration paid to directors	141	271
	Sums paid to third parties for directors' services	-	7
		<u>-</u>	<u>7</u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).		
6	Interest payable and similar expenses		
		2023	2022
		£000	£000
	Interest payable and similar expenses includes the following:		
	Interest on bank overdrafts and loans	29	21
		<u>29</u>	<u>21</u>
7	Taxation		
		2023	2022
		£000	£000
	Current tax		
	UK corporation tax on profits for the current period	(4)	7
		<u>(4)</u>	<u>7</u>
	Deferred tax		
	Origination and reversal of timing differences	(59)	(12)
		<u>(59)</u>	<u>(12)</u>
	Total tax credit	<u>(63)</u>	<u>(5)</u>

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £000	2022 £000
(Loss)/profit before taxation	(344)	100
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(65)	19
Tax effect of expenses that are not deductible in determining taxable profit	(8)	(8)
Group relief	(4)	(4)
Permanent capital allowances in excess of depreciation	73	(12)
Deferred tax	(59)	-
Taxation credit for the year	(63)	(5)
Taxation credit in the financial statements	(63)	(5)

8 Tangible fixed assets

	Long term leasehold property £000	Plant and equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 April 2022	372	610	1,375	2,357
Additions	-	85	405	490
At 31 March 2023	372	695	1,780	2,847
Depreciation and impairment				
At 1 April 2022	370	470	1,124	1,964
Depreciation charged in the year	1	89	162	252
At 31 March 2023	371	559	1,286	2,216
Carrying amount				
At 31 March 2023	1	135	495	631
At 31 March 2022	2	140	251	393

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Fixed asset investments

		2023	2022
		£	£
Investments in subsidiaries	10	3	3
		<u>3</u>	<u>3</u>

10 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Class of shares held	% Held Direct
Northern Ireland Science Park Property Limited	Ordinary	100.00
North West Regional Science Park Limited	Ordinary	100.00

The registered office of the above subsidiaries is: The Innovation Centre, Queen's Road, Queen's Island, Belfast, BT9 3DT.

11 Debtors

	2023	2022
	£000	£000
Amounts falling due within one year:		
Trade debtors	224	454
Amounts owed by group undertakings	650	1,301
Prepayments and accrued income	432	519
	<u>1,306</u>	<u>2,274</u>

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

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Creditors: amounts falling due within one year

		2023 £000	2022 £000
Bank loans	13	174	174
Trade creditors		406	309
Corporation tax		-	12
Other taxation and social security		14	81
Deferred income		385	963
Other creditors		44	147
Accruals and deferred income		668	594
		<u>1,691</u>	<u>2,280</u>

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

13 Loans and overdrafts

	2023 £000	2022 £000
Bank loans	<u>581</u>	<u>754</u>
Payable within one year	174	174
Payable after one year	<u>407</u>	<u>580</u>

The long-term loans are secured by a circular guarantee over the assets and holdings of the Catalyst group.

14 Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Bank loans	<u>407</u>	<u>580</u>

Bank loans consist of £581k (2022: £754k) of loans from the company's bankers relating to CBILS loans received. The loans are repayable in monthly instalments of £14k over 6 years from September 2020 to September 2026 at an interest rate of 3.5% plus Bank of Ireland UK Base Rate.

This is a circular guarantee loan with security over the assets and holdings of the Catalyst group.

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £000	Liabilities 2022 £000
Balances:		
Accelerated capital allowances	-	59
	<u> </u>	<u> </u>
Movements in the year:		2023 £000
Liability at 1 April 2022		59
Credit to profit and loss account		(59)
Liability at 31 March 2023		<u> </u>

16 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Ordinary Shares of £1 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

17 Contingencies

The group of which this company is a member has granted fixed charges over its present and future freehold and leasehold property and on any rents receivable arising out of the lease of these properties and a floating charge over the undertaking, goodwill, property and assets both present and future in favour of the Department for the Economy and Belfast Harbour Commission in respect of all receipts of grant monies due or to become due under the terms of funding agreements. It has also given unlimited guarantee to repay all monies due on intra group receipts of capital grants under the funding agreements. At 31 March 2023 the group had received capital advances totalling £25m (2022: £25m).

18 Events after the reporting date

There were no events subsequent to the balance sheet date requiring disclosure in the financial statements

NORTHERN IRELAND SCIENCE PARK (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Related party transactions

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

20 Parent company

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