

Company registration number: 06828415

**Exeter Science Park Limited**  
**Annual Report and Financial Statements**  
**31<sup>st</sup> March 2023**



## **EXETER SCIENCE PARK LIMITED**

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## **EXETER SCIENCE PARK LIMITED**

### **Statement from our Chairman**

As we reflect on the past financial year we are pleased with the progress and achievements we have made against a challenging and sometimes volatile economic backdrop.

At times we have had to navigate through difficult waters, indeed, the first three quarters of this financial year, and in particular the period of instability following the ill-fated micro budget in December, were extremely testing for us and many of our clients.

However, as demonstrated by the following pages of this document, we have achieved a great deal through a period of change and uncertainty and we have weathered the storm, thanks to resilience in our team, the support of our partners, and the high quality, innovative organisations who call Exeter Science Park their home.

We have now completed the first of five clusters on our 64-acre site and work has begun on a new sustainable 143-room hotel that will be branded jointly by Zeal Hotels and the Intercontinental Hotel Group. This will strengthen the Science Park as a go-to destination and the obvious synergies will bring even more choice and amenities for businesses and organisations based at the Park, as well as those visiting our city.

There is a real sense of community and collaboration between our businesses and organisations - something we have always been keen to nurture and prioritise, alongside our sustainable aims. We continue to strive to build on our achievements and fulfil our ambitions to create a sustainable Science Park, contributing to the south west economy and focused on supporting innovative STEM companies to deliver extraordinary growth.

### **Statement on activities and strategy from our Chief Executive Officer**

#### **OUR COMMITMENT TO NET ZERO**

Sustainability is at the heart of Exeter Science Park; both the Ada Lovelace and George Parker Bidder Buildings are net zero carbon. The Park has the infrastructure to support up to 100 electric vehicle charge points and we are also the location of Devon County Council's Park and Change Site, providing parking for up to 300 vehicles and enabling commuters to choose sustainable methods of transport to continue their journeys into the city.

Our buildings are equipped with cutting-edge energy-efficient technologies, such as LED lighting, smart climate control systems, and advanced insulation. March 2023 saw the installation of 30kW Solar PV on the Science Park Centre roof. In addition to this, we installed LED lighting throughout the Science Park Centre building, which is anticipated to improve our EPC rating to A.

This year we joined the Devon Climate Emergency Response group and endorsed the group's declaration which sets out an ambition to tackle climate change across Devon. The group's objectives are: 'to create a net-zero carbon Devon, with its environment and communities resilient to the effects of inevitable climate change'.

#### **NET ZERO CONFERENCE HAILED A SUCCESS**

The challenges of climate change were tackled when we staged our first Net Zero Carbon Conference, in partnership with the University of Exeter in September 2022.

The event, which attracted delegates, entrepreneurs, investors, and speakers from across the south west and further afield, focused on five of the UN's 17 Sustainable Development Goals.

Delegates heard from a diverse range of speakers, including representatives from the University of Exeter, Exeter City Council, Remit Zero, Crop Kestrel, City Science UK, Quanterra Systems, Global City Futures,

## Statement on activities and strategy from our Chief Executive Officer (continued)

Exeter College and Smarti Environmental, amongst others. Representatives from Exeter City Council, Devon County Council and East Devon District Council all spoke about their respective council's plans to achieve net zero.

Delegates were also the first to hear about exciting plans for the new 'mindfully modern' sustainable 143-room hotel, which is being developed by Zeal Hotels at Exeter Science Park and is due to open in December 2024.

### OUR GROWING COMMUNITY

We welcomed five new businesses to the Park this year.

These were:

- **STANTEC LTD** Global leader in sustainable design and engineering services.
- **SMARTI ENVIRONMENTAL** An innovative company which has developed waterless urinal technology.
- **EXETER EYEWEAR** A company developing solutions to eyewear for children and people with facial dysmorphias.
- **AQUA CONSULTANTS** A consultancy which provides professional services and advice for clients in the water, energy and environmental sectors.
- **MANHIRE ASSOCIATES LTD** Engineering consultancy services.

Diagnexia, a global digital pathology department with a network of expert pathologists, marked the expansion of its operations at Exeter Science Park with a celebration event in March 2023. The expansion tripled the company's capacity and created 30 new high value jobs for the region.

At the opening event, Dr Donal O'Shea, chief executive of Diagnexia UK Limited, said: "We are delighted to expand our presence in Exeter, a city that has consistently demonstrated its commitment to innovation and growth in the healthcare sector. Our new facility at Exeter Science Park will enable us to better serve our clients across the UK and beyond, while also providing valuable employment opportunities for the local community."

### A WARM WELCOME

The ethos and spirit of community at Exeter Science Park were key factors in Stantec opening its regional office here in July 2022.

Sally Walters, Stantec operations director, west, said: "We have been welcomed into the Science Park community with open arms. The support from the Science Park team, as well as the community here, has been great. The facilities in the offices, as well as the wider park are fantastic.

"Moving to Exeter Science Park was a very intentional move for Stantec. The whole ethos and spirit of the park, aligned directly with Stantec's values and our visions. We are truly passionate about being defined by what we stand for. It is our purpose, to make a difference in the world by creating communities. Being part of the Science Park community, which is also passionate about the environmental credentials, as well as creating and connecting communities in the STEMM business world, seemed a natural fit for our key regional office.

"I would highly recommend any business that is considering the Science Park as a location to just come and explore the facilities, meet the teams, and the communities here. Once you have seen the facilities and spoken to the team, you won't regret any decision to move."

## **Statement on activities and strategy from our Chief Executive Officer (continued)**

### **HUGE GROWTH FOR COMMUNITY SPACE**

Our Community Space, which entails our café, meeting rooms, events and conferencing facilities - including the Dome - saw incredible growth this year, with income increasing by 66% in 2022/23, compared to the same period last year.

We have also developed our co-working space to meet the changes in people's working patterns, in particular, the shift to hybrid working. We've welcomed a diverse range of organisations over the last year who have utilised our excellent space, including the Bank of England, the University of Exeter, Exeter Chamber of Commerce and South West Water.

We were pleased to host an event to mark the retirement of Exeter City Council chief executive Karime Hassan, who has been a fantastic advocate for Exeter Science Park during his tenure.

### **THE POWER OF PARTNERSHIPS**

Two desks in our newly developed co- working space are now available for use by members of Exeter Chamber of Commerce and Tech South West.

We have hosted visits from the Donna Manson, the new chief executive of Devon County Council, and MPs Ben Bradshaw and Simon Jupp, which provided an opportunity to demonstrate the incredible work which is being done by organisations based at Exeter Science Park.

### **SUPPORTING STEMM SUCCESS**

Over the year we have sponsored awards which align with our vision to grow a STEMM community in the south west, contributing to productivity and delivering high value jobs in our region.

In partnership with Plymouth Science Park, we sponsored two awards during the year, consisting of the award for tech company of the year at the Tech South West Awards in November 2022 and the women in health category at the West Country Women Awards in December of the same year. We also sponsored the Exeter College award for academic excellence in January 2023 and supported Sidmouth Science Festival.

### **AN AWARD-WINNING PARK**

We were delighted to win the integration and collaboration award for the George Parker Bidder Building at the Construction Excellence SW Awards in September 2022.

The award recognised the strength of collaboration on the project with our construction partners - Morgan Sindall, South West Norse, LHC Design, Southern Construction Framework, Clarke Bond, Grainge Architects and SD Solution UK.

We were also pleased to be shortlisted for the Civic and Sustainability Award at the Exeter Property Awards in October 2022.

### **CEREMONY MARKS OPENING OF GEORGE PARKER BIDDER BUILDING**

June 2022 saw the official opening of the £5 million George Parker Bidder building, built to net zero carbon standards and supporting more than 100 jobs.

The 14,000 square foot centre, named after the Moretonhampstead-born civil engineer and mathematical prodigy, provides high-quality office and laboratory space for maturing STEMM businesses.

Tenants of the new building include Remit Zero, Securious, Edson Tiger, Rx- info, Quanterra Systems, Concept First and Klarian, companies that have all moved from the Science Park Centre to embark on the next stage of their growth.

## **Statement on activities and strategy from our Chief Executive Officer (continued)**

Former chairman of the Forestry Commission, Sir Harry Studholme, and Lady Lucy Studholme, former High Sheriff of Devon, joined us for the planting of a Japanese Green Vase tree to celebrate the Queen's Platinum Jubilee and the official opening of the space. Chosen for its capacity to store carbon, the tree, also known by its Latin name *Zelkova serrata*, has an 'A' rating in carbon efficiency, further contributing to the Park's net zero aspirations.

Over its anticipated ideal lifespan, the Japanese Green Vase tree will sequester approximately 5,341kg of carbon, giving the tree an 'A' rating in carbon efficiency.

### **SUPPORTING THE TECH COMMUNITY**

In March 2023 we were pleased to host the Tech South West team for their 'Ones To Watch' day.

Scaleup companies from the Ones To Watch programme gathered at the Science Park for a bustling day of knowledge sharing, workshops and networking held in various parts of our conferencing suite including; the Dome, our Atrium and meeting spaces.

The Ones To Watch programme showcases some of the region's most exciting growing tech organisations, and connects them with the resources and know-how to reach their next stage of growth. Three Science Park-based companies - Intelligent AI, Klarian and Securious have all been selected as Ones to Watch for 2023.

### **AFRICAN LEADER TAKES INSPIRATION FROM SCIENCE PARK VISIT**

The visit of Her Royal Highness Queen Diambi Kabatusuila from the Democratic Republic of Congo, in February 2023 provided the perfect opportunity to showcase the solutions to global sustainability challenges which are being developed here at Exeter Science Park.

During her visit, Queen Diambi, who is International President of the South West Business Council, met leaders and business people from across the region and took part in a round table discussion focused on ocean plastics. She then toured the Park and spent some time talking to businesses based here.

She said: "I have really enjoyed being here and speaking to all these business leaders of the community and seeing the immense efforts they are doing relating to environment issues...it has been breath-taking and refreshing at the same time. I love the fact I have learned so much about these developments and how they can also benefit the African continent and that is very exciting."

## DIRECTORS REPORT

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

### OUR MISSION

Exeter Science Park helps innovative STEM (Science, Technology, Engineering, Mathematics and Medicine) companies to deliver extraordinary growth.

### ABOUT US

Exeter Science Park Ltd (ESPL), the park developer has four shareholders: Devon County Council, the University of Exeter, East Devon District Council, and Exeter City Council. Its two strategic partners are the Heart of the South West Local Enterprise Partnership and the Exeter and East Devon Enterprise Zone.

The building of the Science Park Centre was made possible with shareholder equity from Devon County Council, East Devon District Council, Exeter City Council, the University of Exeter; the Heart of the South West Local Enterprise Partnership (HotSW LEP) which committed £4.5m loan from the Growing Places Fund; and a £1 million grant from the Regional Growth Fund.

Exeter Science Park's Grow-on Buildings are partly funded by £4.5m from the HotSW LEP Growth Deal Funding. The HotSW LEP has also provided £2.5m local Government funding towards the Environmental Futures Campus and £5.5m towards the Open Innovation Building, which will bring forward 20,000 sq ft of space for growing small and medium sized enterprises.

The Ada Lovelace Building is partly funded by £5.5 million from the Heart of the South West Local Enterprise Partnership's Growth Deal Funding. East Devon District Council's Cabinet has invested £1.1m in the development of the building in conjunction with Devon County Council as part of the Exeter and East Devon Enterprise Zone programme.

Funding for the £5million George Parker Bidder Building was secured in August 2020 from the Government's 'Getting Building Fund' and allocated to Exeter Science Park by the Heart of the South West Local Enterprise Partnership (HotSW LEP) from its £35.4 million share of the national pot.

### DEVELOPING OUR TEAM

This year we've welcomed a number of people to our executive team and developed other roles at Exeter Science Park.

Carrie Piper joined us in July 2022 as head of finance and support services, with responsibility for the overall management of the Park's financial operations. A chartered management accountant, Carrie works closely with the chief executive and senior leadership team and collaborates with the board, shareholders, partners and other stakeholders to support the Park and its tenants in their continued growth.

Matt Roach joined Exeter Science Park as head of operations in December 2022. Chartered accountant, Matt, who was formerly managing director of Exeter Airport for nine years, leads on the operational aspects of Exeter Science Park and works collaboratively to develop and implement the organisation's strategy for growth.

Jason Buck joined our team as senior business development manager in March 2023. He previously managed the inward investment function at the TDA, Torbay Council's Economic Development Company, where he worked on expansion and location projects for hi tech, med tech and advanced manufacturing companies. Jason leads on maximising occupancy across the Park, promoting our event and conferencing facilities, and leading the development of new products and services for park businesses.

We've also welcomed Exeter City Council officer Victoria Hatfield, to our board of directors. Victoria is the service lead for net zero and business, leading on delivering net zero for Exeter City Council and manages its extensive car park estate.

## **DIRECTORS REPORT (continued)**

In addition to the above appointments, David Morgan was promoted to client services team leader and Richard Northcott was appointed to the position of front of house assistant. Anne Beadon joined the team in a maternity cover role as executive assistant to the chief executive.

### **Directors**

The directors who served the company during the year were as follows:

Mr R S N Ames

Dr S Basker

Mr P C Chivers

Ms K A Denton

Mrs J G Dumeresque

Mr P G Hayward

Mr R Knight

Mr D G Richardson

Mr D N E Rowe

Dr A Wissenburg

Ms J J Yelland

(Resigned 31<sup>st</sup> March 2023)

### **Governance**

The board is responsible for the company's long-term objectives and strategy with the aim of generating and preserving value. In carrying out its responsibilities the board considers opportunities and risks to the future success of the business, the sustainability of the business strategy and the company's governance. The independent non-executive directors are responsible for bringing independent judgement to discussions held by the board, using their breadth of expertise to constructively challenge and help develop proposals on strategy.

The board is supported in its governance role through the establishment of various committees. These committees provide specialist expertise and recommendations that are fed through to full board meetings. Committees are held quarterly in advance of a full board meeting.

The following committees are in place:

- Finance, Audit and Risk
- Business Development and Client Services
- Remuneration
- Property
- Nominations
- Joint Innovation Policy

### **Going concern**

The Directors are required to consider whether the company will continue as a going concern for a period of 12 months from the signing of the accounts.

In making the assessment the Directors have reviewed the corporate plan and budgets and considered risks that could impact the businesses capital, financial and liquidity position over that period. The Directors have also reviewed forecasts prepared using stressed but plausible operating conditions for a period in excess of 12 months after the date of approval of these financial statements. In their review they have taken into consideration the increase in cash levels since the year end following the receipt of £2.05m on 26th October 2023 relating to the proceeds of a land sale (Note 16).



## **DIRECTORS REPORT (continued)**

The Directors note that despite the Balance Sheet reporting negative current assets that this is the result of one of its loans having a maturity date within the next 12 months. The Directors continue to have discussions with the lender with regards to rescheduling the payment date of this loan. Directors have in addition taken measures to confirm with both guarantors that should no agreement be reached on rescheduling the repayment date that the guarantors are in a position to honour their guarantees (Note 11).

The Board therefore continues to adopt the going concern basis of accounting in the preparation of these financial statements.

### **Directors responsibilities statement**

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments 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.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

The auditor is deemed to have been appointed in accordance with section 487 of the Companies Act 2006.

### **THANK YOU**

Many people and organisations contribute to the success of Exeter Science Park. Thank you to all of our shareholders and the Heart of the South West LEP for their support.

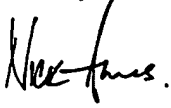
Thank you also to our non-executive board members, who give their time and knowledge so generously, and play a crucial role in the ongoing development of Exeter Science Park.

**DIRECTORS REPORT (continued)**

**Small company provisions**

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

This report was approved by the board of directors on 14th December 2023 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'R S N Ames', written over a horizontal line.

Mr R S N Ames  
Director

## **EXETER SCIENCE PARK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXETER SCIENCE PARK LIMITED YEAR ENDED 31 MARCH 2023**

#### **Opinion**

We have audited the financial statements of Exeter Science Park Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, statement of financial position, 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 FRS 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.

#### **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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **EXETER SCIENCE PARK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXETER SCIENCE PARK LIMITED YEAR ENDED 31 MARCH 2023 (CONTINUED)**

#### **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 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 during the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the 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 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 based on these financial statements.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Company's performance;
- results of our enquiries of management and the Directors, about their own identification and assessment of the risks of irregularities;

## EXETER SCIENCE PARK LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXETER SCIENCE PARK LIMITED YEAR ENDED 31 MARCH 2023 (CONTINUED)

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We identified and obtained an understanding of the laws and regulations that are of significance to the Company by discussions with directors and by updating our understanding of the sector in which the Company operated in. Laws and regulations that are of direct significance to the Company, and of which non-compliance could result in material misstatement, are considered to be the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that 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 health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Directors and management concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the above regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of Director meetings; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 an 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 would become aware of it.

**EXETER SCIENCE PARK LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXETER SCIENCE PARK LIMITED  
YEAR ENDED 31 MARCH 2023 (CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**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 auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Bishop Fleming LLP*

Mark Munro (Senior Statutory Auditor)

For and on behalf of:  
Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Date: *15/12/23*.....

**STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>£</b>	<b>restated</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>		1,439,844	1,275,275
Cost of sales		(355,716)	(252,041)
<b>Gross profit</b>		<u>1,084,128</u>	<u>1,023,234</u>
Administrative expenses		(1,054,381)	(1,014,075)
Other operating income		1,288,754	5,716,324
<b>Operating profit</b>		<u>1,318,501</u>	<u>5,725,483</u>
<b>Exceptional costs - impairment</b>	5	(994,079)	(2,617,341)
Other interest receivable and similar income		0	2
Interest payable and similar expenses	14	(338,113)	(274,885)
<b>Profit / (loss) before tax</b>	5	<u>(13,691)</u>	<u>2,833,259</u>
Tax on profit	6	11,126	(1,068,919)
<b>Loss for the financial year</b>		<u>(2,565)</u>	<u>1,764,340</u>

All the activities of the company are from continuing operations.

The notes on pages 17 to 24 form part of these financial statements.

**EXETER SCIENCE PARK LIMITED**

COMPANY NUMBER 06828415

**STATEMENT OF FINANCIAL POSITION  
YEAR ENDED 31 MARCH 2023**

		2023	2022 restated
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	7	13,756	14,660
Tangible assets	8	18,021,280	18,889,775
		<u>18,035,036</u>	<u>18,904,435</u>
<b>Current assets</b>			
Debtors	9	598,743	1,081,904
Cash at bank and in hand		276,427	289,394
		<u>875,170</u>	<u>1,371,298</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(5,688,084)</u>	<u>(784,313)</u>
<b>Net current assets</b>		<u>(4,812,914)</u>	<u>586,986</u>
<b>Total assets less current liabilities</b>		13,222,122	19,491,421
<b>Creditors: Amounts falling due after more than one year</b>	11	(5,028,644)	(11,284,252)
<b>Provision for liabilities</b>	17	(2,264,013)	(2,275,139)
<b>Net assets</b>		<u>5,929,464</u>	<u>5,932,029</u>
<b>Capital and reserves</b>			
Called up share capital		4,401,100	4,401,100
Profit and loss account	6	1,528,364	1,530,929
<b>Shareholders funds</b>		<u>5,929,464</u>	<u>5,932,029</u>

See Statement of Changes in Equity on page 15 for reconciliation of profit and loss annual movement.

The notes on pages 16 to 23 form part of these financial statements.



**EXETER SCIENCE PARK LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**31 MARCH 2023**

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 14th December 2023 and were signed on behalf of the board by:



**Mr R S N Ames**  
**Director**

Company registration number: 06828415

The notes on pages 16 to 23 form part of these financial statements.

**EXETER SCIENCE PARK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 MARCH 2023**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021 (as previously stated)	4,401,100	564,946	4,966,047
Prior year adjustment	6 -	(798,358)	(798,358)
At 1 April 2021 (as restated)	<u>4,401,100</u>	<u>(233,412)</u>	<u>4,167,689</u>
Profit for the year (as previously stated)		2,084,979	2,084,979
Prior year adjustment	6 -	(320,639)	(320,639)
At 31 March 2022 and 1 April 2022 (as restated)	<u>4,401,100</u>	<u>1,530,929</u>	<u>5,932,029</u>
Loss for the year	-	(2,565)	(2,565)
At 31 March 2023	<u><u>4,401,100</u></u>	<u><u>1,528,364</u></u>	<u><u>5,929,464</u></u>

## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

#### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Science Park Centre, 6 Babbage Way, Exeter, EX5 2FN.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, "The Financial Reporting Standards applicable in the UK and Republic of Ireland".

#### 3. Accounting policies Basis of preparation

The financial statements have been prepared on the historical cost basis, and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

#### Going concern

The Directors are required to consider whether the company will continue as a going concern for a period of 12 months from the signing of the accounts.

In making the assessment the Directors have reviewed the corporate plan and budgets and considered risks that could impact the businesses capital, financial and liquidity position over that period. The Directors have also reviewed forecasts prepared using stressed but plausible operating conditions for a period in excess of 12 months after the date of approval of these financial statements. In their review they have taken into consideration the increase in cash levels since the year end following the receipt of £2.05m on 26th October 2023 relating to the proceeds of a land sale (Note 16).

The Directors note that despite the Balance Sheet reporting negative current assets that this is the result of one of its loans having a maturity date within the next 12 months. The Directors continue to have discussions with the lender with regards to rescheduling the payment date of this loan. Directors have in addition taken measures to confirm with both guarantors that should no agreement be reached on rescheduling the repayment date that the guarantors are in a position to honour their guarantees (Note 11).

The Board therefore continues to adopt the going concern basis of accounting in the preparation of these financial statements.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue is generated from: lease of space (offices and/or laboratories) to tenants; provision of services to tenants; room rental and catering services for meetings and events; food and beverage sales from the Science Park Centre café.

## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

Rent for leased spaces is recognised according to the period of occupancy in the financial year. Income from meetings/events is recognised according to the date the event took place. Income from the café is recognised on the day of the sale.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Intangible assets**

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value. The standard useful life assumed for intangible assets is 3 years, although a judgement may be applied if the asset is of a specialist nature that indicates a longer life. If there is an indication that there has been a significant change useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Investment properties**

Buildings that are made available for let to tenants are held as investment properties and are subject to annual revaluation by a professional valuer. The valuer used for financial years 2021/22 and 2022/23 was Jones Lang LaSalle (JLL). Any movements in fair value of these assets is recognised as profit or loss.

#### **Tangible assets**

Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

Plant and machinery	- 20%	straight line
Fittings fixtures and equipment	- 20%	straight line

In addition to the standard depreciation categories above, specific specialist assets will be assessed for their useful life independently and depreciated on this basis.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of any tangible asset, the depreciation is revised prospectively to reflect the new estimates.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and othershort-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or currentliabilities.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the performance model.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

#### Financial instruments

##### Classification

The company holds the following financial instruments:

- Loans;
- Short term trade and other debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS 102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 11 (2022: 10).

#### 5. Profit before taxation

The profit before taxation is stated after charging:

	2023	2022
	£	£
Depreciation and amortisation of assets	57,933	16,024
Fair value adjustments to investment property	994,079	2,617,341
Fees payable for the audit of financial statements	11,200	6,000
	<u>                    </u>	<u>                    </u>

## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

#### 6. Prior year adjustments

The prior year profit and loss account and balance sheet have been adjusted to reflect a lease/lease-back agreement on the Turing building. The lease/lease-back is with the University of Exeter with a maturity date of March 2040 and an implied interest rate of 7.08%. The assumed interest rate was incorrectly applied in previous accounts and has been corrected and restated in this set of accounts. The adjustment is a reduction in profit in 2021-22 and 2020-21, the detail can be seen in the table below. Notes 10 and 11 have also been updated to show the impact on creditors (£85,522 reduction in short term and £339,273 increase in long term).

Financial year 2021-22 has also been re-stated to reflect the removal of indexation relating to the Park's s106 agreement with Devon County Council (2021-22 accounts £194,398, re-stated to zero).

Prior years have also been adjusted for deferred tax relating to the omission of a grant release in the prior year tax calculations.

Previously stated reserves at 1 April 2021	4,966,047
Adjustment to presentation of Turing Building lease/lease-back	(82,541)
Deferred tax adjustment	(715,817)
Revised reserves at 1 April 2021	<u>4,167,689</u>
Previously stated reserves at 1 April 2022	7,051,027
Adjustment to presentation of Turing Building lease/lease-back	(208,663)
Deferred tax adjustment	(910,334)
Revised reserves at 1 April 2022	<u>5,932,029</u>

#### 7. Intangible assets

	<b>Total</b>
<b>Cost</b>	<b>£</b>
At 1 April 2022	14,660
Additions	3,934
<b>At 31 March 2023</b>	<u><u>18,594</u></u>
<b>Amortisation</b>	
At 1 April 2022	0
Charge for the year	4,838
<b>At 31 March 2023</b>	<u><u>4,838</u></u>
<b>Carrying amount</b>	
At 31 March 2022	14,660
At 31 March 2023	<u><u>13,756</u></u>

**EXETER SCIENCE PARK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**8. Tangible assets**

	Freehold investment property	Leasehold investment property	Furniture, fittings and equipment	Investment Property under construction	Other Property, plant and equipment	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2022	16,335,000	2,115,000	215,457	6,694	435,588	19,107,739
Transfers	-	-	-	-	-	-
Additions	69,079	-	34,728	1,000	78,709	183,517
Revaluation	<u>(1,109,079)</u>	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(994,079)</u>
At 31 March 2023	<u>15,295,000</u>	<u>2,230,000</u>	<u>250,185</u>	<u>7,694</u>	<u>514,297</u>	<u>18,297,177</u>
<b>Depreciation</b>						
At 1 April 2022	-	-	68,417	-	149,546	217,964
Charge for the year	<u>-</u>	<u>-</u>	<u>31,961</u>	<u>-</u>	<u>25,971</u>	<u>57,933</u>
At 31 March 2023	<u>-</u>	<u>-</u>	<u>100,378</u>	<u>-</u>	<u>175,517</u>	<u>275,897</u>
<b>Carrying amount</b>						
At 31 March 2023	<u>15,295,000</u>	<u>2,230,000</u>	<u>149,807</u>	<u>7,694</u>	<u>338,780</u>	<u>18,021,281</u>
At 31 March 2022	<u>16,335,000</u>	<u>2,115,000</u>	<u>147,040</u>	<u>6,694</u>	<u>286,042</u>	<u>18,889,775</u>

Linked to the lease/lease-back agreement on the Turing building presented Note 6, there is a charge on the Turing building from Homes England.

**9. Debtors**

	2023	2022 restated
	£	£
Trade debtors	216,176	215,380
Other debtors	382,567	866,524
	<u>598,743</u>	<u>1,081,904</u>

**10. Creditors: amounts falling due within one year**

	2023	2022 restated
	£	£
Leases	29,909	22,878
Trade creditors	118,142	516,963
Social security and other taxes	40,310	19,831
Loans *	5,245,855	-
Other creditors	253,868	224,641
	<u>5,688,084</u>	<u>784,313</u>

\* See Note 11 below for details of loans



## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

	2023	2022 restated
	£	£
Leases	2,170,147	2,200,056
Loans	2,415,203	7,484,196
Deferred capital grants	443,295	1,600,000
	<u>5,028,645</u>	<u>11,284,252</u>

The deferred grant relates to LEP funding for the George Parker Bidder Building. Grant has been released on a performance basis using the basket of conditions stated in the LEP funding agreement.

Loans presented in Notes 10 and 11 above are made up of the following arrangements:

Lender	Loan amount	Matures	Interest rate	Balance 2023	Balance 2022
Exeter City Council	500,000	Jan-25	2.55%	604,131	591,416
Exeter City Council	500,000	Jan-25	2.62%	604,836	591,842
East Devon District Council	1,000,000	Feb-25	2.55%	1,206,236	1,180,735
LEP Growing Places Fund	4,500,000	Oct-23	**	5,245,855	5,120,203

\*\* EU reference rate plus 1%, capped at 3%

None of the above have any security attached to the borrowing. No cash out flow has occurred for any of the loans since the principal was paid. Interest is accrued and is included in the amounts above.

The LEP Growing Places Fund becomes due within the next 12 months. This loan is guaranteed by Exeter Science Park Limited shareholders Devon County Council and the University of Exeter (50% coverage for each party).

#### 12. Contingent assets and liabilities

None to disclose.

#### 13. Related party transactions

Devon County Council, East Devon District Council, Exeter City Council and University of Exeter hold the controlling shares in Exeter Science Park Limited.

Details of loan and lease obligations are discussed in note 11 of these accounts.

## EXETER SCIENCE PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

University of Exeter is also a tenant in the Science Park Centre, holding several leases to rent space of various lengths. These leases are included in Note 14 below and as at 31<sup>st</sup> March 2023 leases held were:

- Unit F02, 667 sq feet, ending 31<sup>st</sup> March 2025
- Unit G03, 344 sq feet, ending 31<sup>st</sup> October 2023
- Unit S02b/c, 2,405 sq feet, ending 24<sup>th</sup> May 2023
- Unit S07, 248 sq feet, ending 31<sup>st</sup> March 2025

The University of Exeter also has a lease/lease-back arrangement place for the Turing Building as referred to in Notes 6 and 8 above.

#### 14. Tenant lease commitments

Rental income from tenant leases is recognised in the accounts as it becomes due, but lease commitments may span several financial years. The table below shows tenant leases held at 31<sup>st</sup> March 2023 with their future period commitments to pay rent.

<b>Lease commitment in the period:</b>	
1st April 2023 to 31st March 2024	1,006,501
1st April 2024 to 31st March 2025	727,034
Periods from 1st April 2025 onwards	2,602,396
<b>Total</b>	<b><u>4,335,931</u></b>

#### 15. Capital commitments

At 31<sup>st</sup> March 2023 there were capital commitments of £64,144 relating to the installation of green energy projects at the Science Park Centre. Works were completed in Spring 2023.

#### 16. Post balance sheet events

At 31<sup>st</sup> March 2023 negotiations relating to the reinstatement of space rented by the Environment Agency at the Ada Lovelace Building were still ongoing. The Environment Agency lease ended on 31<sup>st</sup> March 2023. The negotiations concluded in June 2023 and the agreed amount was paid over to ESPL on 19<sup>th</sup> June 2023.

On 26<sup>th</sup> October 2023 £2.05m was received from Devon County Council relating to the proceeds of a land sale to Zeal Hotels.

#### 17. Deferred tax

	<b>2023</b>
At beginning of year	2,275,139
Charged to profit or loss	(11,126)
At end of year	2,264,013

The provision for deferred tax is made up as follows:

	<b>2023</b>	<b>2022</b>
Fixed asset timing differences	1,942,752	1,933,113
Short term timing differences	(2,108)	-
Capital gains / (losses)	1,856,228	1,768,614
Losses and other deductions	<u>(1,532,859)</u>	<u>(1,426,588)</u>
<b>Total</b>	<b>2,264,013</b>	<b>2,275,139</b>