

Lancaster University Business Enterprises Ltd
Annual report and financial statements for the year ended 31 July 2012

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Company Registration Number 00968581

Lancaster University Business Enterprises Ltd

Annual report and financial statements for the year ended 31 July 2012

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Lancaster University Business Enterprises Ltd

Directors' report for the year ended 31 July 2012

The directors present their annual report and the audited financial statements of the company for the year ended 31st July 2012

Principal activities

The company's principal activity is the exploitation of intellectual property for Lancaster University

Business review

The company continued to invest in patent applications throughout the year, and earned royalties in the year in respect of intellectual property

Results and dividends

The company made a loss for the year of £1,084 (2011 loss £10,043) and the directors do not recommend the payment of a dividend (2011 £nil)

Risks, uncertainties & key performance indicators

The Company's Directors believe that the analysis of KPIs and risks and uncertainties are consistent with those of its parent Lancaster University. These are adequately set out and described in the Lancaster University group financial statements, and as such, they have not made any further disclosure within these financial statements

Directors

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

T McMillan
S J Randall-Paley
R D O'Brien
A J Dix (resigned 3 July 2012)
M Bacon
G Smith

Lancaster University Business Enterprises Ltd

Directors' report for the year ended 31 July 2012 (continued)

Directors' indemnities

Lancaster University also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company's Directors

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Lancaster University. The directors have received confirmation that Lancaster University intend to support the company for at least one year after these financial statements are signed

Statement of disclosure of information to auditors

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

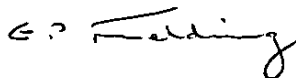
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board,



G P Fielding
Company Secretary
17 April 2013

Lancaster University Business Enterprises Ltd

Statement of Directors' Responsibilities

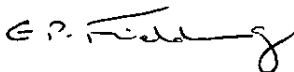
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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.

By order of the board,



G P Fielding
Company Secretary
17 April 2013

Lancaster University Business Enterprises Ltd

Independent Auditors' Report to the members of Lancaster University Business Enterprises Ltd

We have audited the financial statements of Lancaster University Business Enterprises Ltd for the year ended 31 July 2012 which comprise Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of its loss and cash flows for the year then ended,

Lancaster University Business Enterprises Ltd

- 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

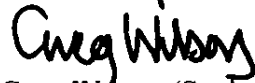
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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 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



Greg Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
19 April 2013

Lancaster University Business Enterprises Ltd

Profit and loss account for the year ended 31 July 2012

	<i>Note</i>	2012 £	2011 £
Turnover	<i>1</i>	42,659	41,477
Gross profit		42,659	41,477
Administrative expenses		(45,777)	(53,537)
Operating loss	<i>3</i>	(3,118)	(12,060)
Interest receivable and similar income	<i>2</i>	3,820	3,604
Interest payable and similar charges	<i>2</i>	(1,786)	(1,587)
Profit/(loss) on ordinary activities before taxation		(1,084)	(10,043)
Tax on loss on ordinary activities	<i>5</i>	-	-
Profit/(loss) for the financial year	<i>10</i>	(1,084)	(10,043)

All amounts relate to continuing operations

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents

Lancaster University Business Enterprises Ltd

Registered company number 00968581

Balance sheet as at 31 July 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Investments					
Loans	6		45,752		45,752
Current assets					
Debtors	7	56,708		23,962	
Creditors: amounts falling due within one year	8	<u>(271,734)</u>		<u>(237,904)</u>	
Net current liabilities			(215,026)		(213,942)
Total Assets less current liabilities & Net liabilities			<u>(169,274)</u>		<u>(168,190)</u>
Capital and reserves					
Called up share capital	9		56		56
Profit and loss account	10		<u>(169,330)</u>		<u>(168,246)</u>
Total shareholders' deficit	10		<u>(169,274)</u>		<u>(168,190)</u>

The financial statements on pages 7 to 12 were approved by the board of directors on 17 April 2013 and were signed on its behalf by



R D O'Brien
Director

Lancaster University Business Enterprises Ltd

Notes to the financial statements for the year ended 31 July 2012

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historic cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The company has net current liabilities of £215,026 (2011: £213,942). The parent company has confirmed its intention to continue to provide financial support to the company. The directors consider it appropriate therefore to prepare the accounts on the going concern basis.

Cash flow Statement

The company is exempt from the requirement of FRS 1 (revised 1996), to prepare a cash flow statement, as it is a greater than 90% owned subsidiary undertaking of Lancaster University and its cash flows are included within the consolidated cash flow statement of that entity which are publically available.

Related party transactions exemption

The directors have taken advantage of the exemption in FRS8 and have not disclosed related party transactions with parent and fellow subsidiary undertakings. There are no other related party transactions which require specific disclosure.

Current taxation

Corporation tax payable is provided on taxable profits at the current rate.

Turnover

Turnover represents the amounts (excluding value added tax) earned upon the provision of intellectual property as royalty receipts during the year, and all arises in the United Kingdom.

Investments

Investments are made in spin-out companies where appropriate and are shown in the balance sheet at cost. Interest receivable on such investments is shown in the Profit and Loss Account and to the extent that it has not been paid is included within debtors.

Lancaster University Business Enterprises Ltd

Notes to the financial statements for the year ended 31 July 2012 (continued)

2 Interest payable and receivable

	2012	2011
	£	£
Interest payable and similar charges	<u>(1,786)</u>	<u>(1,587)</u>
Interest receivable and similar income (note 6)	<u>3,820</u>	<u>3,604</u>

3 Operating loss

	2012	2011
	£	£
<i>Operating loss is stated after charging:</i>		
Auditors' remuneration	<u>1,750</u>	<u>1,100</u>

4 Employees and directors

The company has no employees other than its directors who did not receive any remuneration for their services as directors of this company (2011 £nil). During the year the company made payments of £4,704 to Lancaster University for the services of Directors (2011 £9,624)

5 Taxation

No charge to taxation arises on the loss for the financial year (2011 £nil) due to cumulative tax losses brought forward.

6 Loans

	2012	2011
	£	£
Loans	<u>45,752</u>	<u>45,752</u>

Lancaster University Business Enterprises Ltd

Notes to the financial statements for the year ended 31 July 2012 (continued)

6 Loans (continued)

Loans of £27,652 and £23,600 were made to spin-out companies in July 2005 and May 2005 respectively. In September 2006, a further loan of £4,500 was made to one of the companies. The three loans had an initial duration of two years which was extended. They attract interest at 6% per annum.

Of these loans, £10,000 was repaid in June 2010 and the company expects that the balance of the loans will be repaid in full. Interest accrued on these loans of £21,740 (2011 £17,920) is disclosed in note 7.

The repayment of capital and accumulated interest included below as accrued income is due on repayment of the loan. The University has guaranteed any shortfall on the loans in the event that they become irrecoverable.

7 Debtors: amounts falling due within one year

	2012 £	2011 £
Trade debtors	25,405	2,379
Accrued income	31,303	17,920
Value added tax	-	3,663
	<u>56,708</u>	<u>23,962</u>

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade Creditors	269	808
Accruals	21,897	2,400
Deferred Income	3,260	-
Value Added Tax	1,242	-
Amounts owed to Lancaster University*	<u>245,066</u>	<u>234,696</u>
	<u>271,734</u>	<u>237,904</u>

*Lancaster University has confirmed that it will not seek repayment of this amount for the foreseeable future.

Lancaster University Business Enterprises Ltd

Notes to the financial statements for the year ended 31 July 2012 (continued)

9 Called up share capital

	2012 £	2011 £
<i>Authorised</i>		
100 (2011 100) Ordinary shares of £1	100	100
<i>Allotted and fully paid</i>		
56 (2011 56) Ordinary shares of £1	56	56

10 Reconciliation of movements in shareholders' deficit and movement in reserves

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
As at 1 August 2011	56	(168,246)	(168,190)
Profit for the financial year	-	(1,084)	(4,291)
As at 31 July 2012	56	(169,330)	(172,481)

11 Ultimate parent company

The immediate parent undertaking is Lancaster University Enterprises Ltd

The ultimate parent undertaking and controlling party is Lancaster University

Lancaster University is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 July 2012. The consolidated financial statements can be obtained from

Lancaster University
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Bailrigg
Lancaster
Lancashire
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