

LANCASTER
UNIVERSITY



Lancaster University Business Enterprises Limited

Directors' report and financial statements for the year ended 31 July 2009

Company Number 00968581

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Lancaster University Business Enterprises Limited

Directors' report and financial statements for the year ended 31 July 2009

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Lancaster University Business Enterprises Limited

Directors' report for the year ended 31 July 2009

The directors present their report and the audited financial statements of the company for the year ended 31 July 2009

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 directors do not recommend the payment of a dividend (2008 nil)

The company made a loss for the year of £6,739 (2008 profit £22,341)

Directors

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

Professor T McMillan
Mr A Neal (resigned 1st April 2009)
Mr R D O'Brien
Professor A J Dix
Dr M Bacon
Dr G Smith

Lancaster University Business Enterprises Limited

Directors' report for the year ended 31 July 2009 (continued)

Statement of disclosure of information to auditors

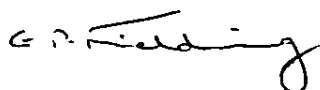
Each of the persons who is a director at the date of approval of this report confirms that

- 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

Auditors

The 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



23 April 2010

Mr G P Fielding
Secretary

Lancaster University Business Enterprises Limited

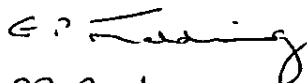
Statement of directors' responsibilities

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 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.



23 April 2010

Mr G P Fielding
Secretary

Lancaster University Business Enterprises Limited

Independent auditors' report to the members of Lancaster University Business Enterprises Limited

We have audited the financial statements of Lancaster University Business Enterprises Limited for the year ended 31 July 2009 which comprise the 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 Director's 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. Our responsibility is to audit 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.

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 2009 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

Independent auditors' report to the members of Lancaster University Business Enterprises Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's 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



Gregory Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester



Lancaster University Business Enterprises Limited

Profit and loss account for the year ended 31 July 2009

	<i>Note</i>	2009 £	2008 £
Turnover	<i>1</i>	72,232	44,391
Cost of sales		-	-
Gross profit		72,232	44,391
Administrative expenses		(77,760)	(14,395)
Operating (loss) / profit	<i>3</i>	(5,528)	29,996
Interest payable	<i>2</i>	(4,955)	(11,000)
Interest receivable	<i>2</i>	3,744	3,345
(Loss) / Profit on ordinary activities before taxation		(6,739)	22,341
Taxation on (Loss) / Profit on ordinary activities	<i>5</i>	-	-
(Loss) / Profit for the financial year	<i>10</i>	(6,739)	22,341

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 profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents

Lancaster University Business Enterprises Limited

Registered Company Number 00968581

**Balance sheet
as at 31 July 2009**

	Note	2009 £	£	2008 £	£
Fixed assets					
Investments					
Loans	6	55,752		55,752	
Current assets					
Debtors	7	65,188		15,273	
Creditors: amounts falling due within one year	8	<u>(256,396)</u>		<u>(199,742)</u>	
Net current liabilities		(191,208)		(184,469)	
Net liabilities		<u>(135,456)</u>		<u>(128,717)</u>	
Capital and reserves					
Called up share capital	9	56		56	
Profit and loss reserve	10	<u>(135,512)</u>		<u>(128,773)</u>	
Total shareholder's deficit	10	<u>(135,456)</u>		<u>(128,717)</u>	

The financial statements on pages 7 to 12 were approved by the board of directors on 23 April 2010 and were signed on its behalf by:



Mr R D O'Brien
Director

Lancaster University Business Enterprises Limited

Notes to the financial statements for the year ended 31 July 2009

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 £191,208 (2008: £184,469). 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

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

Current taxation

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

Turnover

Turnover represents the amounts (excluding value added tax) earned in royalty receipts during the year, and all arises in the United Kingdom.

Lancaster University Business Enterprises Limited

Notes to the financial statements for the year ended 31 July 2009 (continued)

2 Interest payable and receivable

	2009 £	2008 £
Interest payable on inter-company account with Lancaster University	(4,955)	(11,000)
Interest receivable on loans to spin-out companies (note 6)	<u>3,744</u>	<u>3,345</u>

3 Operating profit

	2009 £	2008 £
<i>Operating profit is stated after charging:</i>		
Auditors' remuneration	<u>1,050</u>	<u>1,207</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 (2008: nil) During the year the company made payments of £6,100 to Lancaster University for the services of Directors (2008 £5,350)

5 Taxation

No charge to taxation arises on the loss for the financial year due to cumulative tax losses brought forward

6 Loans

	2009 £	2008 £
Loans	<u>55,752</u>	<u>55,752</u>
	<u>55,752</u>	<u>55,752</u>

Lancaster University Business Enterprises Limited

Notes to the financial statements for the year ended 31 July 2009 (continued)

6 Loans (continued)

Loans of £27,652 and £23,600, plus accumulated accrued interest of £6,655 disclosed in note 7, were made to spin-out companies in April 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 during the year. They attract interest at six percent per annum.

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

	2009 £	2008 £
Trade debtors	22,340	8,618
Accrued income	40,576	6,655
Value Added Tax	2,272	-
	<u>65,188</u>	<u>15,273</u>

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to Lancaster University*	247,665	196,087
Accruals	6,095	2,307
Creditors	2,636	-
Value Added Tax	-	1,348
	<u>256,396</u>	<u>199,742</u>

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

Lancaster University Business Enterprises Limited

Notes to the financial statements for the year ended 31 July 2009 (continued)

9 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
100 (2008: 100) Ordinary shares of £1	100	100
<i>Allotted and fully paid</i>		
56 (2008: 56) Ordinary shares of £1	56	56

10 Reconciliation of movement in shareholder's deficit

	Share capital £	Profit and loss reserve £	Total shareholder's deficit £
As at 1 August 2008	56	(128,773)	(128,717)
Loss for the financial year	-	(6,739)	(6,739)
As at 31 July 2009	56	(135,512)	(135,456)

11 Ultimate parent company

The company is a subsidiary undertaking of Lancaster University Enterprises Ltd, which is in turn a subsidiary of Lancaster University.

The largest and smallest group in which the results of the company are consolidated is that headed by Lancaster University. Copies of the consolidated accounts may be obtained from

The Director of Finance
Lancaster University
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