

LANCASTER  
UNIVERSITY



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**BUSINESS ENTERPRISES LIMITED**

**Financial Statements**

**Year ended 31 July 2004**



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# **Lancaster University Business Enterprises Limited**

Directors' report and financial statements  
*for the year ended 31 July 2004*

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# **Lancaster University Business Enterprises Limited**

## **Directors' report for the year ended 31 July 2004**

The directors present their annual report and the audited financial statements for the year ended 31 July 2004.

### **Principal activities**

The profit and loss account is set out on page 5.

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

### **Business review**

The company continued to invest in patent applications throughout the year. Costs incurred on this should be recouped in future periods.

### **Proposed dividend and transfer to reserves**

The directors do not recommend the payment of a dividend.

The company made a loss for the year of £29,354 (2003: £26,790)

### **Directors and directors' interests**

The directors who held office during the year were as follows:

Dr J Nielsen

Mr R D O'Brien

Professor A J Dix

Dr M Bacon

Professor R MacDonald

Mr A Neal

(appointed 3<sup>rd</sup> October 2003)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or any other group company.

# **Lancaster University Business Enterprises Limited**

## **Directors' report for the year ended 31 July 2004**

### **Political and charitable contributions**

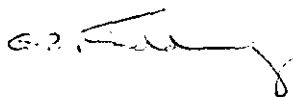
The Company made no political or charitable contributions during the year.

### **Going Concern**

The directors believe that the company has adequate resources due to the support received from its parent company, Lancaster University to continue in operational existence for the foreseeable future and for this reason, continue to adopt the going concern basis in preparing the financial statements.

### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors for the Company, is to be proposed at the forthcoming Annual General Meeting.



G P Fielding  
Secretary

30th November 2004

# Lancaster University Business Enterprises Limited

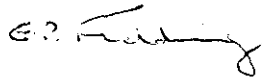
## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently, and also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 July 2004, and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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  
Secretary

30<sup>th</sup> November 2004

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Manchester

23/12/04

# Lancaster University Business Enterprises Limited

## Profit and loss account for the year ended 31 July 2004

	Note	2004 £	2003 £
Turnover		158	7,973
Cost of sales		(17,914)	(28,274)
Gross profit		<u>(17,756)</u>	<u>(20,301)</u>
Administrative expenses		<u>(11,598)</u>	<u>(6,489)</u>
Operating loss	2	<u>(29,354)</u>	<u>(26,790)</u>
Loss on ordinary activities before taxation		(29,354)	(26,790)
Taxation	5	<u>-</u>	<u>-</u>
Loss for financial year	9	<u>(29,354)</u>	<u>(26,790)</u>

All amounts relate to continuing operations.

Movements in reserves are set out in note 9 to the financial statements.

The profit and loss account contains the only gains and losses of the company for the current and prior year.

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

# Lancaster University Business Enterprises Limited

## Balance sheet at 31 July 2004

	Note	2004 £	2003 £
<b>Current assets</b>			
Debtors	6	52	7,841
<b>Creditors:</b> amounts falling due within one year	7	<u>(160,570)</u>	<u>(139,005)</u>
<b>Net current liabilities</b>		<u>(160,518)</u>	<u>(131,164)</u>
<b>Net liabilities</b>		<u>(160,518)</u>	<u>(131,164)</u>
<b>Capital and reserves</b>			
Called up share capital	8	56	56
Profit and loss account	9	<u>(160,574)</u>	<u>(131,220)</u>
<b>Equity shareholders' deficit</b>	9	<u>(160,518)</u>	<u>(131,164)</u>

The financial statements on pages 5 to 9 were approved by the board of directors on 30 November 2004 and were signed on its behalf by:

Ray MacDonald  
Director





# Lancaster University Business Enterprises Limited

Notes to the financial statements for the year ended 31 July 2004

## 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### *Basis of preparation*

The financial statements have been prepared in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom and under the historical cost convention.

They have been prepared on a going concern basis, which assumes that the company will continue to trade as mentioned in the directors' report.

### *Cash flow*

The company is exempt from the requirement of Financial Reporting Standard number 1, to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of the University of Lancaster and its cash flows are included within the consolidated cash flow statement of that entity.

### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year, and all arises in the United Kingdom.

## 2 Operating loss

	2004	2003
<i>Operating loss is stated after charging:</i>	£	£
Auditors' remuneration	1,000	1,000
	<hr/>	<hr/>

## 3 Remuneration of directors

The emoluments of the directors were £Nil (2003: £Nil).

# Lancaster University Business Enterprises Limited

Notes (continued)

## 4 Staff numbers and costs

The company has no employees other than its directors who did not receive any remuneration for their services as directors of this company, and no payments were made for services rendered to the company in other capacities (2003: £Nil).

## 5 Taxation

No charge to taxation arises on the loss for the financial year.

## 6 Debtors

	2004 £	2003 £
Taxation & Social Security	52	509
Other debtors	-	7,332
	<u>52</u>	<u>7,841</u>

## 7 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to the University of Lancaster	148,241	124,036
Accruals	5,635	1,000
Creditors	6,694	13,969
	<u>160,570</u>	<u>139,005</u>

## 8 Called up share capital

	£
<i>Authorised</i>	
Ordinary shares of £1 each at 1 August 2003 and 31 July 2004	100
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each at 1 August 2003 and 31 July 2004	<u>56</u>

# Lancaster University Business Enterprises Limited

Notes (continued)

## 9 Reconciliation of movements in shareholders' deficit

	Share capital £	Profit and loss account £	Total shareholders' deficit £
As at 1 August 2003	56	(131,220)	(131,164)
Loss for the financial year	-	(29,354)	(29,354)
As at 31 July 2004	<u>56</u>	<u>(160,574)</u>	<u>(160,518)</u>

## 10 Related party transactions

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.

## 11 Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

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

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

The Director of Finance  
Lancaster University  
Bailrigg  
Lancaster  
LA1 4YW