

ISIS INNOVATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1992

Registered Company Number 2199542

LEWIS & CLARK

1992

1992

ISIS INNOVATION LIMITED

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ISIS INNOVATION LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 1992

The Directors submit their report and the audited financial statements of the company for the year ended 31 March 1992.

Principal Activity and Business Review

The principal activity of the Company is the development, patenting and exploiting of ideas emanating from the University of Oxford.

The Oxford Innovation Society, a network of industrial companies who subscribe for services rendered by the company, increased its membership to 36 during the year.

Share Capital

During the year the issued share capital of the company was increased to £400,000 as shown by Note 6 and the proceeds were used to settle outstanding loans.

Results and Dividends

The profit for the year amounted to £ 170,690 , of which £10,727 was paid by way of deed of covenant to the University of Oxford. The remainder of the profit, ie. £ 159,963 , was transferred to reserves.

The Directors do not recommend payment of a dividend.

Directors

The following directors held office during the year:

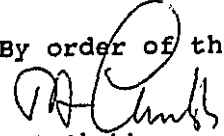
Dr J. Hiddleston
Sir Peter Hirsch
I.G.Thompson
E.P.Chappell
Sir Martin F.Wood
E.B.Smith
E.M.Southern

The Company is wholly owned by the University of Oxford. I.G.Thompson holds one share on behalf of the Chancellor, Masters and Scholars of the University of Oxford.

Auditor

Coopers & Lybrand, who until 1 June 1992 practised in the name of Coopers & Lybrand Deloitte, are not seeking re-appointment. A resolution to appoint KPMG Peat Marwick as the company's auditor will be proposed at the annual general meeting.

By order of the Board,


J.A.Chubb,
Secretary.

14 August 1992

ISIS INNOVATION LIMITED

REPORT OF THE AUDITOR
to the members of Isis Innovation Limited.


We have audited the financial statements on pages 3 to 7 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1992 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand.
Chartered Accountants and Registered Auditor.

Reading.

 1992

ISIS INNOVATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1992

		1992	1991
	Note	£	£
Turnover - Gross Project Receipts		75,689	37,780
Less Project Expenditure		(27,533)	(21,416)
Contribution to Oxford University		(33,709)	(11,455)
Net Project Receipts		14,447	4,909
University Grant		16,667	-
Development Expenditure written off		(51,758)	(35,573)
		(20,643)	(30,664)
Oxford Innovation Society subscriptions		217,593	57,316
Sponsors		37,500	-
Donations		59,288	2,047
Interest received		10,728	-
Other income	2	10,843	10,000
		315,308	38,699
EXPENDITURE			
Operating lease rental - motor car	3	4,517	3,588
Auditor's remuneration		3,250	3,000
Other administrative costs		136,851	121,349
Total expenditure		144,618	127,937
Net profit/(loss) before taxation		170,690	(89,238)
Taxation	5	-	-
Profit/(loss) after taxation for the year		170,690	(89,238)
Deed of Covenant		(10,727)	-
Retained surplus/(deficit)		159,963	(89,238)
Balance brought forward			
As previously reported		(208,429)	(154,764)
Prior Year Adjustment	1b	(85,516)	(49,943)
As restated		(293,945)	(204,707)
Retained surplus/(deficit)		159,963	(89,238)
Balance carried forward		(133,982)	(293,945)

ISIS INNOVATION LIMITED

BALANCE SHEET AT 31 MARCH 1992

		1992	1991
	Note	£	£
Debtors falling due within one year			
Other debtors	6	132,703	80,018
Prepayments		20,667	2,147
Owed by the University of Oxford		145,545	125,025
V.A.T. recoverable		-	1,000
		<u>298,915</u>	<u>208,190</u>
Bank and Cash		149,883	100
		<u>448,798</u>	<u>208,290</u>
Creditors falling due within one year:			
Bank overdraft		5,463	-
Accrued expenses		18,728	22,498
Tax (VAT, PAYE, NI and Tax on Covenant)		9,147	-
Subscriptions in advance		139,442	70,987
Deferred revenue (donations)		10,000	28,287
		<u>182,780</u>	<u>121,772</u>
Total assets less current liabilities		<u>266,018</u>	<u>86,518</u>
Representing:			
Called-up share capital	7	400,000	100
Profit and loss account		(133,982)	(293,945)
Creditors falling due after more than one year:	8		
Due to or assigned to the University:			
Pre-Seedcorn Fund		-	127,218
Advances from Sponsors for trading, working and management expenses		-	253,145
		<u>266,018</u>	<u>86,518</u>

The financial statements on pages 3 to 7 were approved by the board of directors on 14 August 1992 and were signed on its behalf by:

.....)
Dr J.N.Hiddleston) Directors
.....)
.....)
I.G.Thompson)

ISIS INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1992

1) Accounting Policies

a) Basis of Accounting

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

b) Change of accounting policy

Project expenditure is written off in the year in which it is incurred; previously it was carried forward whilst there remained a reasonable prospect of income sufficient to cover the costs. The change in policy has been reflected by way of a prior year adjustment as shown on page 3.

c) Cash Flow Statement

The company has not published a cash flow statement as its parent, the University of Oxford, includes a consolidated cash flow statement in its accounts.

2) <u>Other Income</u>	1992	1991
Directors fees	10,100	10,000
Foreign exchange gains	743	0
	<u>10,843</u>	<u>10,000</u>

3) Lease Commitments

The company has financial commitments in respect of a non-cancellable operating lease of a motor car. The rentals payable under this lease in the next years is as follows:

	1992	1991
Date of lease termination within one to three years	<u>4,716</u>	<u>1,196</u>

4) Employees

The average weekly number of persons, including directors employed by the Company during the year was

	No.	No.
	3	2
	£	£
The total cost of their remuneration was		
Wages and salaries	81,319	68,614
Social Security costs	8,296	7,147
Other pension costs	9,733	8,493
Total employees' remuneration	<u>99,348</u>	<u>84,254</u>

ISIS INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1992

4) Employees (continued)

Directors' Remuneration

The total cost of the Directors' emoluments was

£	£
79,819	66,955

The Chairman's emoluments were:

£	£
Nil	Nil

The Highest Paid Director's emoluments (excluding pension contributions) were:

£	£
64,189	58,509

The numbers of Directors, who received emoluments (excluding pension contributions) in the following ranges were:

	No.	No.
£0	6	6
£55,001 - £60,000	-	1
£60,001 - £65,000	1	-

5) Taxation

No taxation has been provided based on the result for the year. The loss has been carried forward to be set against taxable profits in future years.

6) Other Debtors

Amount owed, to top-up Pre-Seedcorn Fund, by:

University of Oxford

1992	1991
£	£

Cogent Limited

Advent Limited

-	15,662
-	15,663
-	15,663

-	46,988
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Oxford Molecular Limited

-	11,500
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Amount owed by Sponsors for trading, working and management expenses

-	14,993
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Oxford Innovation Society subscriptions

132,703	-
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Sundry

-	6,537
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132,703	80,018
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7) Called-up Share Capital

Authorised, allotted, called-up and fully paid:

at 1 April 1991

100 shares @ £1

Subscribed during year

1992	1991
£	£

100	100
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399,900	-
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at 31 March 1992

400,000 shares @ £1

400,000	100
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During the year the authorised share capital was increased to £400,000 and 399,900 £1 shares were issued for cash at par. The proceeds were used to settle outstanding loans.

ISIS INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1992

8) Creditors falling due after more than one year

Under an Agreement dated 14 October 1987 between (1) the University of Oxford ("the University"),
(2) Isis Innovation Limited ("the Company")
(then Oxford University Research and Development Limited), and
(3) Advent Limited and Cogent Limited ("the Sponsors"),
the University and the Sponsors advanced £500,000 in equal shares by way of interest-free loans comprising the Pre-Seedcorn Fund ("the Fund").

The Fund was available to be utilised in connection with the development of ideas, inventions and discoveries arising within, or in association with, the University; to obtain patent protection for those inventions and discoveries; and to cover related professional advice. The University and the Sponsors were each liable to contribute in equal shares an annual amount sufficient to top-up the Fund to £50,000 to replenish expenditure in the period to 30 June 1991.

Loans to the Fund from the University were repayable at the instance of the Company; those from the Sponsors were repayable out of Gross Project Income on a project by project basis.

Under the same Agreement the Sponsors provided, in equal shares, additional interest free loans to finance the trading, working and management expenses of the Company up to 30 June 1991. These loans were repayable only out of Net Project Receipts on a project by project basis.

By letters dated 30 March 1991 the Sponsors assigned to the University their loans outstanding at that date and have agreed to the assignment of further loans made before termination of the Agreement on 30 June 1991.

	Due to or assigned to the University	
	Pre-Seedcorn Fund	Advances from Sponsors for Management Expenses
Balance at 1 April 1991	127,218	253,145
Expenditure up to 30 June 1991		25,000
Repaid to the University of Oxford	(127,218)	(278,145)
Balance at 31 March 1992	0	0

9) Ultimate Ownership of the Company

The Company is wholly owned by the University of Oxford. A copy of the accounts of the University is obtainable from University Offices, Wellington Square, Oxford.