



S M I T H & H U T C H I N S O N
C H A R T E R E D A C C O U N T A N T S

The Swiss Centre 10 Wardour Street London W1D 6QF
Telephone 020 7734 9131 Fax 020 7734 0415

IC CONSULTANTS LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31ST JULY 2003



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IC CONSULTANTS LIMITED
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IC CONSULTANTS LIMITED

COMPANY INFORMATION

DIRECTORS:

Dr. D. W. Moran (Chairman)
Mr. P. F. Docx (Chief Executive)
Professor S. R. Bloom
Dr. R. J. Gochin
Professor J. B. Pendry
Dr. J. M. Sime
Professor D. A. Nethercot
Professor D. Wright

SECRETARY:

Mr. P. F. Docx

REGISTERED OFFICE:

Sherfield Building
Imperial College
London SW7 2AZ

REGISTERED NUMBER:

2478877

AUDITORS:

Smith & Hutchinson
Registered Auditors
Chartered Accountants
The Swiss Centre
10 Wardour Street,
London W1D 6QF

SOLICITORS:

Mills & Reeve,
Francis House,
112 Hills Road,
Cambridge CB2 1PH

IC CONSULTANTS LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31st July 2003.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit/loss for that period. In preparing those financial statements, the directors are required to

select suitable accounting policies and apply them consistently;

make judgements and 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 to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with 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.

Results

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

Review of the business and future developments

The company's principal activities include arranging scientific and technical consultancies, the commercial exploitation of research facilities and project management services.

The directors consider the results of the year to be very satisfactory and look forward with confidence to the coming year.

Dividend

During the year a Gift Aid payment of £880,000 was made to Imperial College of Science, Technology and Medicine. The directors do not propose the payment of a dividend for the year ended 31st July 2003.

IC CONSULTANTS LIMITED
DIRECTORS' REPORT - Continued

Directors

The directors of the company during the year were:

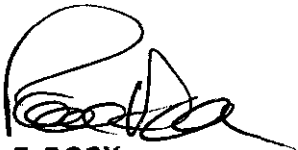
Dr. D. W. Moran	(Chairman)
Mr. P. F. Docx	(Chief Executive)
Professor S. R. Bloom	
Dr. R. J. Gochin	
Professor J. B. Pendry	
Dr. J. M. Sime	
Professor D. A. Nethercot	(appointed 15 th October 2002)
Professor D. Wright	(appointed 15 th October 2002)

The directors had no beneficial interest in the shares of the company.

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of Smith & Hutchinson, Chartered Accountants, as auditors of the company is to be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



P. F. DOCX
Secretary

Dated: -9 OCT 2003



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

IC CONSULTANTS LIMITED

We have audited the financial statements on pages 5 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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.

Respective responsibilities of director and auditors

As described on page 2 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

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, as amended. 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 director's remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with UK 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 director in the preparation of the financial statements, and 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 31st July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.

Smith & Hutchinson

SMITH & HUTCHINSON

**Chartered Accountants and
Registered Auditors**

Dated: -9 OCT 2003

R.M. Smith A.P.C. Fox

IC CONSULTANTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2003

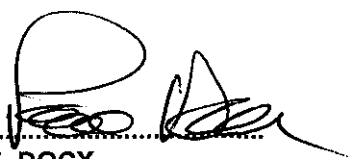
	Notes	2003 £	2002 £
TURNOVER	2	13,453,078	10,404,155
Cost of Sales		<u>(11,952,158)</u>	<u>(9,217,877)</u>
GROSS PROFIT		1,500,920	1,186,278
Administrative expenses		<u>(732,748)</u>	<u>(516,188)</u>
OPERATING PROFIT	3	768,172	670,090
Interest receivable		69,673	61,173
Other income received		<u>43,468</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		881,313	731,263
Exceptional item	4	<u>(880,000)</u>	<u>(730,000)</u>
		1,313	1,263
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		1,313	1,263
RETAINED PROFIT brought forward		<u>90,364</u>	<u>89,101</u>
RETAINED PROFIT carried forward		£ <u>91,677</u>	£ <u>90,364</u>

There were no recognised gains or losses either in the current or preceding year other than those recorded in the profit and loss account.

IC CONSULTANTS LIMITED
BALANCE SHEET AT 31ST JULY 2003

	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	6		20,196		6,994
Investments	7		<u>5,400</u>		<u>5,400</u>
			25,596		12,394
CURRENT ASSETS					
Debtors	8	3,478,940		2,798,286	
Cash at bank		<u>1,601,542</u>		<u>953,996</u>	
		5,080,482		3,752,282	
CREDITORS: Amounts falling due within one year	9	<u>5,014,399</u>		<u>3,674,310</u>	
NET CURRENT ASSETS (2002 - LIABILITIES)			<u>66,083</u>		<u>77,972</u>
TOTAL ASSETS					
LESS CURRENT LIABILITIES			£ <u>91,679</u>		£ <u>90,366</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Profit and loss account			<u>91,677</u>		<u>90,364</u>
EQUITY SHAREHOLDERS FUNDS	11		£ <u>91,679</u>		£ <u>90,366</u>

APPROVED ON BEHALF OF THE BOARD



P. F. DOCX
 Director

Dated: -9 OCT 2003

IC CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2003

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 accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting and reporting standards.

Depreciation

Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Office equipment	- 25% per annum on cost
Technical equipment	- 25% per annum on cost

Investment

Other fixed asset investments are stated at cost less provision for any permanent diminution in value.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Turnover

Turnover represents amounts invoiced by the company in respect of work carried out by consultants, charges made for commercial use of research facilities and fees charged for managing projects.

Turnover is wholly attributable to the company's main activities, of arranging consultancies, technical consultancy, commercial use of research facilities and project management services.

IC CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2003 - continued

3. Operating profit

Profit on ordinary activities before taxation is stated after charging the following:

	2003 £	2002 £
Depreciation	7,509	2,332
Auditors' remuneration	4,800	4,500
Other operating charges (see below)	<u>720,439</u>	<u>509,356</u>

Other operating charges

Other operating charges includes an amount of £479,982 (2002: £344,166) paid to the ultimate holding company in respect of staff (including one director) to administer the company.

Directors' emoluments

The company was charged £95,785 (2002: £85,937) by the holding company for the services rendered by one of the directors and paid fees of £6,000 (2002: £6,000) to the Chairman.

4. Exceptional item

	2003 £	2002 £
Gift Aid payment	£ <u>880,000</u>	£ <u>730,000</u>

The Gift Aid payment was made to Imperial College of Science, Technology and Medicine.

5. Tax on profit on ordinary activities

No charge arises to corporation tax due the transfer of the total taxable profits, under Gift Aid, to Imperial College of Science, Technology and Medicine.

IC CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2003 - continued

6. Tangible fixed assets

	Office equipment £	Technical equipment £	Total £
Cost			
At 1st August 2002	75,489	297,722	373,211
Additions	<u>20,711</u>	<u>-</u>	<u>20,711</u>
At 31st July 2003	<u>96,200</u>	<u>297,722</u>	<u>393,922</u>
Depreciation			
At 1st August 2002	68,495	297,722	366,217
Charge for the year	<u>7,509</u>	<u>-</u>	<u>7,509</u>
At 31st July 2003	<u>76,004</u>	<u>297,722</u>	<u>373,726</u>
Net Book Value			
At 31st July 2003	£ <u>20,196</u>	£ <u>-</u>	£ <u>20,196</u>
At 31st July 2002	£ <u>6,994</u>	£ <u>-</u>	£ <u>6,994</u>

7. Fixed assets investments

	Unlisted
Cost	
At 31st July 2003	£ <u>5,400</u>
At 31st July 2002	£ <u>5,400</u>

8. Debtors

Amounts falling due within one year:-	2003 £	2002 £
Trade debtors	2,270,994	1,572,489
Amount due from parent undertaking	1,205,335	1,186,339
VAT recoverable	1,238	38,772
Other debtors	<u>1,373</u>	<u>686</u>
	£ <u>3,478,940</u>	£ <u>2,798,286</u>

IC CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2003 - continued

9. Creditors: Amounts falling due within one year:

	2003 £	2002 £
Trade creditors	4,657,029	3,400,789
Due to parent undertaking	292,727	165,595
Deferred income	18,275	64,187
Other creditors	18,368	21,739
Accruals	<u>28,000</u>	<u>22,000</u>
	£ 5,014,399	£ 3,674,310

10. Share capital

	2003 £	2002 £
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Authorised:

1,000 Ordinary shares of £1 each

	£ 1,000	£ 1,000
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Issued and fully paid:

2 Ordinary shares of £1 each

	£ 2	£ 2
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11. Equity shareholders funds

£

Balance at 1st August 2002

90,366

Profit for the year

1,313

Balance at 31st July 2003

£ 91,679

12. Post balance sheet events

There have been no significant events since the balance sheet date that have not been disclosed in the accounts.

IC CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2003 - continued

13. **Ultimate holding company, control and related party transactions**

In the opinion of the directors the ultimate holding company is the Imperial College of Science, Technology and Medicine, a body incorporated in England by Royal Charter. This company is controlled by Imperial College.

The company results are incorporated in the consolidated accounts of Imperial College of Science, Technology and Medicine which are published in the United Kingdom. As the company is a 100% subsidiary it has taken advantage of the exemption for disclosure of related party transactions as allowed by Financial Reporting Standard 8.

The balances with related parties at 31st July 2003 are as follows:

Due to IC Consultants Limited:

Imperial College	£ <u>1,205,335</u>
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Due from IC Consultants Limited

Imperial College	£ <u>292,727</u>
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IC CONSULTANTS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2003

	2003		2002
	£	£	£
Turnover	13,453,078		10,404,155
Cost of sales	(11,952,158)		<u>(9,217,877)</u>
GROSS PROFIT	1,500,920		1,186,278
Administrative expenses			
Chairman's fees	6,000		6,000
Salaries and pensions	479,982		344,166
Project management	-		15,694
Medical consultancy fees	50,816		29,903
Charge for services	6,000		4,000
Advertising and marketing	17,879		5,809
Equipment and computer costs	11,272		10,445
Staff training and conferences	5,344		196
Rent and service charge	48,524		37,396
Telephone and fax	7,329		5,673
Postage, printing and stationery	18,811		16,176
Audit and accountancy	4,800		5,350
Legal and professional	3,806		30
Office re-organisation	19,018		-
Office expenses	9,869		7,794
Travel and subsistence	8,467		7,766
Subscriptions	1,581		2,440
Motor expenses	7,136		8,504
Depreciation	7,509		2,332
Provision for bad debts	9,158		2,368
Bank charges and exchange differences	<u>9,447</u>		<u>4,146</u>
	(732,748)		(516,188)
Interest receivable			
Bank deposit account	69,673		61,173
Other income	<u>43,468</u>		<u>-</u>
Profit on ordinary activities before taxation and exceptional item	£ <u>881,313</u>		£ <u>731,263</u>