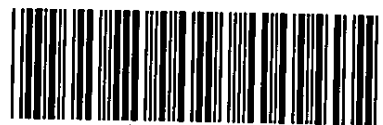

CAMBRIDGE NETWORK LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010

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COMPANIES HOUSE

CAMBRIDGE NETWORK LIMITED

COMPANY INFORMATION

DIRECTORS

Mr P A Bailey
Mr N G Davidson
Prof L Gladden (appointed 22 September 2010)
Mr D Halstead
Dr H M Hauser
Prof I M Leslie (resigned 18 February 2010)
Mr H R Parnell
Mr W T Parsons
Prof A Sibbald
Mr P J Taylor
Mr A Twiss
Dr K Wood

COMPANY SECRETARY

Mr D Mardle

COMPANY NUMBER

3400152

REGISTERED OFFICE

Salisbury House
Station Road
Cambridge
CB1 2LA

AUDITORS

Peters Elworthy & Moore
Chartered Accountants & Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

BANKERS

Barclays Bank PLC
Bene't Street
Cambridge
CB2 3PZ

NatWest Bank PLC
23 Market Street
Cambridge
CB2 3PA

CAMBRIDGE NETWORK LIMITED

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Consolidated balance sheet	6
Company balance sheet	7
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CAMBRIDGE NETWORK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2010

The directors present their report and the financial statements for the year ended 31 October 2010

PRINCIPAL ACTIVITIES

The principal activity of the group during the year was the creation and support of a community of like-minded people from business and academia in the Cambridge region, and the linking of this community to the global hi-tech network. Income is generated from annual subscriptions, sponsorship and the provision of networking infrastructure services to third parties, as well as the provision of training courses.

DIRECTORS

The directors who served during the year were

Mr P A Bailey
Mr N G Davidson
Prof L Gladden (appointed 22 September 2010)
Mr D Halstead
Dr H M Hauser
Prof I M Leslie (resigned 18 February 2010)
Mr H R Parnell
Mr W T Parsons
Prof A Sibbald
Mr P J Taylor
Mr A Twiss
Dr K Wood

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company paid £1,105 (period ended 31 October 2009 £1,021) in respect of indemnity insurance for the directors in the year.

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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

CAMBRIDGE NETWORK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2010

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16 December 2010 and signed on its behalf


Mr D Mardle
Secretary

CAMBRIDGE NETWORK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAMBRIDGE NETWORK LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Cambridge Network Limited for the year ended 31 October 2010, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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 DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, 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.

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 group's and the parent 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 group's and the parent company's affairs as at 31 October 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

CAMBRIDGE NETWORK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAMBRIDGE NETWORK LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

Roger Webster (Senior statutory auditor)

for and on behalf of

PETERS ELWORTHY & MOORE

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

23 December 2010

CAMBRIDGE NETWORK LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010**

		31 October 2010 £	15 months ended 31 October 2009 £
	Note		
TURNOVER	1	920,465	873,446
Cost of sales		(359,762)	(283,238)
		<hr/>	<hr/>
GROSS PROFIT		560,703	590,208
Administrative expenses		(546,449)	(577,522)
		<hr/>	<hr/>
OPERATING PROFIT	2	14,254	12,686
Interest receivable		120	1,299
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,374	13,985
Tax on profit on ordinary activities	3	(2,125)	(2,684)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	10	12,249	11,301
		<hr/>	<hr/>

The notes on pages 8 to 13 form part of these financial statements

CAMBRIDGE NETWORK LIMITED
REGISTERED NUMBER: 3400152

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	4		2,557		846
CURRENT ASSETS					
Debtors	7	173,553		208,638	
Cash at bank and in hand		493,410		361,787	
		<u>666,963</u>		<u>570,425</u>	
CREDITORS : amounts falling due within one year	8	(592,063)		(506,063)	
NET CURRENT ASSETS			<u>74,900</u>		<u>64,362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>77,457</u>		<u>65,208</u>
CAPITAL AND RESERVES					
Called up share capital	9		6		6
Profit and loss account	10		77,451		65,202
SHAREHOLDERS' FUNDS			<u>77,457</u>		<u>65,208</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/12/2010



Mr D Halstead
Director

Mr H R Parnell
Director



The notes on pages 8 to 13 form part of these financial statements

CAMBRIDGE NETWORK LIMITED
REGISTERED NUMBER 3400152

COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	4		1,247		328
Fixed asset investments	5		1		1
			<u>1,248</u>		<u>329</u>
CURRENT ASSETS					
Debtors	7	82,398		69,836	
Cash at bank and in hand		217,909		162,401	
		<u>300,307</u>		<u>232,237</u>	
CREDITORS , amounts falling due within one year	8	(265,874)		(204,087)	
NET CURRENT ASSETS			<u>34,433</u>		<u>28,150</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>35,681</u>		<u>28,479</u>
CAPITAL AND RESERVES					
Called up share capital	9		6		6
Profit and loss account	10		35,675		28,473
SHAREHOLDERS' FUNDS			<u>35,681</u>		<u>28,479</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/12/2010



Mr D Halstead
Director

Mr H R Parnell
Director



The notes on pages 8 to 13 form part of these financial statements

CAMBRIDGE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Cambridge Network Limited and all of its subsidiary undertakings ('subsidiaries')

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss Account

The profit and loss account for the year/period dealt with in the accounts of the company was £7,202 (2009 - loss £15,338)

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of membership subscriptions together with amounts invoiced during the period for other services, exclusive of Value Added Tax

Where subscriptions, training and other income have been invoiced for a period beyond the accounting date, the income relating to the period after each year end has been treated as deferred income and carried forward to the next accounting period

Revenue from sponsorship and events is recognised when the services are delivered

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Furniture and equipment	-	25-50% straight line
Computer equipment	-	50% straight line

1.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss Account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

CAMBRIDGE NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

2. OPERATING PROFIT

The operating profit is stated after charging

	31 October 2010 £	15 months ended 31 October 2009 £
Depreciation of tangible fixed assets - owned by the group	920	3,361
Auditors' remuneration	8,115	7,153
Pension costs	3,309	7,223
	<hr/> <hr/>	<hr/> <hr/>

During the year, no director received any emoluments (2009 - £NIL)

Auditors fees for the company were £5,500 (2009 - £5,113)

3. TAXATION

	31 October 2010 £	15 months ended 31 October 2009 £
ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR/PERIOD		
UK corporation tax charge on profit for the year/period	2,125	2,719
Adjustments in respect of prior periods	-	(35)
	<hr/>	<hr/>
TAX ON PROFIT ON ORDINARY ACTIVITIES	2,125	2,684
	<hr/> <hr/>	<hr/> <hr/>

CAMBRIDGE NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

4 TANGIBLE FIXED ASSETS

	Furniture and equipment £	Computer equipment £	Total £
GROUP			
COST			
At 1 November 2009	12,751	51,420	64,171
Additions	130	2,501	2,631
At 31 October 2010	<u>12,881</u>	<u>53,921</u>	<u>66,802</u>
DEPRECIATION			
At 1 November 2009	12,688	50,637	63,325
Charge for the year	68	852	920
At 31 October 2010	<u>12,756</u>	<u>51,489</u>	<u>64,245</u>
NET BOOK VALUE			
At 31 October 2010	<u>125</u>	<u>2,432</u>	<u>2,557</u>
At 31 October 2009	<u>63</u>	<u>783</u>	<u>846</u>
	Furniture and equipment £	Computer equipment £	Total £
COMPANY			
COST			
At 1 November 2009	12,751	38,364	51,115
Additions	130	1,312	1,442
At 31 October 2010	<u>12,881</u>	<u>39,676</u>	<u>52,557</u>
DEPRECIATION			
At 1 November 2009	12,688	38,099	50,787
Charge for the year	68	455	523
At 31 October 2010	<u>12,756</u>	<u>38,554</u>	<u>51,310</u>
NET BOOK VALUE			
At 31 October 2010	<u>125</u>	<u>1,122</u>	<u>1,247</u>
At 31 October 2009	<u>63</u>	<u>265</u>	<u>328</u>

CAMBRIDGE NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

5. FIXED ASSET INVESTMENTS

COMPANY COST OR VALUATION	Shares in group under- takings £
At 1 November 2009 and 31 October 2010	1

Details of the principal subsidiaries can be found under note number 6

6 PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding
The Learning Collaboration Limited	England	100

7 DEBTORS

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	147,259	204,290	68,506	64,157
Amounts owed by group undertakings	-	-	12,026	4,911
Other debtors	26,294	4,348	1,866	768
	173,553	208,638	82,398	69,836

**8 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	95,815	27,844	23,505	13,232
Corporation tax	2,128	2,722	1,109	-
Social security and other taxes	44,620	53,178	29,419	18,690
Accruals and deferred income	448,239	402,915	210,580	170,618
Other creditors	1,261	19,404	1,261	1,547
	592,063	506,063	265,874	204,087

CAMBRIDGE NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

9 SHARE CAPITAL

	2010 £	2009 £
ALLOTTED, CALLED UP AND FULLY PAID		
600 Ordinary shares of 1p each	<u>6</u>	<u>6</u>

10. RESERVES

	Profit and loss account £
GROUP	
At 1 November 2009	65,202
Profit for the year	12,249
	<u>77,451</u>
At 31 October 2010	<u>77,451</u>
COMPANY	
At 1 November 2009	28,473
Profit for the year	7,202
	<u>35,675</u>
At 31 October 2010	<u>35,675</u>

11. PENSION COMMITMENTS

Employees of the Group are invited to participate in a stakeholder pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £3,309 (15 months ended 31 October 2009 - £7,223). There were no unpaid contributions at the balance sheet date.

12 OPERATING LEASE COMMITMENTS

At 31 October 2010 the Group had annual commitments under non-cancellable operating leases as follows:

	2010 £	2009 £
GROUP		
EXPIRY DATE:		
Between 2 and 5 years	<u>9,500</u>	<u>-</u>

CAMBRIDGE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010

13. RELATED PARTY TRANSACTIONS

The company's shareholders are its Founder Members and pay membership fees to Cambridge Network Limited of £5,000 per annum. In addition, Founder Member companies have sponsored events held by the company during the year with sponsorships ranging from £1,000 to £5,000 per event. The total of sponsorship income from any single Founder Member was less than £15,000.

The directors of Cambridge Network Limited are drawn from Founder, Founder Member and Member Organisations of the Cambridge Network.

Mr Parsons, a director of the company, is also a director of ARM Limited, a Founder Member company. In addition to the fees and sponsorships above, the company made sales during the year of £55,050 (period ended 31 October 2009: £84,100) to ARM Limited. At the year end £17,625 (2009: £34,500) was owed by ARM Limited to the company.

Mr Davidson, a director of the company, is also a director of Red Gate Software Limited, a Founder Member company. In addition to the fees and sponsorships above, the company made sales during the year of £43,500 to Red Gate Software Limited (period ended 31 October 2009: £67,525). At the year end £NIL (2009: £11,500) was owed by Red Gate Software Limited to the company.

14. CONTROLLING PARTY

In the directors' opinion, the company has no ultimate controlling party.