

# White Rose Technology Limited

Registered number 03785280

## Directors' report and financial statements

For the year ended 31 July 2011

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# WHITE ROSE TECHNOLOGY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr G C Gilbert (resigned 15 June 2011) D W Hobday (resigned 15 June 2011) Dr A King (resigned 15 June 2011) Mr A McWhirter Prof R Jones (resigned 15 June 2011) Dr E Walmsley (resigned 15 June 2011) Dr J M Walsh Prof R Williams (resigned 15 June 2011) Dr J White Dr N Loxley Ms J E Madeley (appointed 2 August 2010) Dr R A L Jones
<b>Company secretary</b>	J M H Oxley
<b>Company number</b>	03785280
<b>Registered office</b>	10-12 East Parade Leeds West Yorkshire LS1 2AJ
<b>Auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditor Mazars House Gelderd Road Gildersome Leeds LS27 7JN

# WHITE ROSE TECHNOLOGY LIMITED

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# WHITE ROSE TECHNOLOGY LIMITED

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2011**

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The directors present their report and the financial statements for the year ended 31 July 2011

### **Directors' responsibilities statement**

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 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 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.

### **Principal activities**

The principal activity of the company continued to be the investment in new technology companies.

During the year the Directors have undertaken a strategic review of the funding and cost structure of the business. As a consequence of this review Maven Capital Partners LLP will complete their contract on 15 October 2011 as fund managers to the company.

The board will have direct responsibility for the future investment review function. The Directors believe that this action will provide additional finance support to the portfolio of investments held by White Rose Technology Limited.

### **Directors**

The directors who served during the year were

Mr G C Gilbert (resigned 15 June 2011)  
D W Hobday (resigned 15 June 2011)  
Dr A King (resigned 15 June 2011)  
Mr A McWhirter  
Prof R Jones (resigned 15 June 2011)  
Dr E Walmsley (resigned 15 June 2011)  
Dr J M Walsh  
Prof R Williams (resigned 15 June 2011)  
Dr J White  
Dr N Loxley  
Ms J E Madeley (appointed 2 August 2010)  
Dr R A L Jones

# WHITE ROSE TECHNOLOGY LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2011

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### 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'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's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### Auditors

The auditors, Mazars LLP, 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 13<sup>th</sup> October 2011 and signed on its behalf

X N. Loxley X

Dr N Loxley  
Director

# **WHITE ROSE TECHNOLOGY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITE ROSE TECHNOLOGY LIMITED**

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We have audited the financial statements of White Rose Technology Limited for the year ended 31 July 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 Directors' Responsibilities Statement set out on page 1, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors. 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 2011 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.

### **Opinion on the 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.

# WHITE ROSE TECHNOLOGY LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITE ROSE TECHNOLOGY LIMITED

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### 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

*SDavies*

Steven Davies (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars House  
Gelderd Road  
Gildersome  
Leeds  
LS27 7JN

Date *9 December 2011*

# WHITE ROSE TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2011

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	Note	2011 £	2010 £
Administrative expenses		(286,935)	(243,674)
<b>Operating loss</b>	<b>2</b>	(286,935)	(243,674)
(Loss)/profit on disposal of investments		(1,598)	2,175
Interest receivable and similar income		9,636	9,649
Amounts written off investments		(1,268,879)	(360,859)
Other finance income	<b>4</b>	125,000	184,017
<b>Loss on ordinary activities before taxation</b>		(1,422,776)	(408,692)
Tax on loss on ordinary activities	<b>6</b>	-	2,606
<b>Loss for the financial year</b>		<u>(1,422,776)</u>	<u>(406,086)</u>

All amounts relate to continuing operations

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



# WHITE ROSE TECHNOLOGY LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2011

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	Note	2011 £	2010 £
Loss for the financial year		(1,422,776)	(406,086)
Unrealised surplus/(deficit) on revaluation of fixed asset investments		<u>258,963</u>	<u>(116,785)</u>
<b>Total recognised gains and losses relating to the year</b>		<u><u>(1,163,813)</u></u>	<u><u>(522,871)</u></u>

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

**WHITE ROSE TECHNOLOGY LIMITED**

Registered number 03785280

**BALANCE SHEET****AS AT 31 JULY 2011**

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Investments	7		2,646,549		3,414,948
<b>Current assets</b>					
Debtors	8	40,272		185	
Cash at bank		972,306		1,559,673	
		<u>1,012,578</u>		<u>1,559,858</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(204,221)</u>		<u>(106,087)</u>	
<b>Net current assets</b>			808,357		1,453,771
<b>Total assets less current liabilities</b>			<u>3,454,906</u>		<u>4,868,719</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(750,000)</u>		<u>(1,000,000)</u>
<b>Net assets</b>			<u><u>2,704,906</u></u>		<u><u>3,868,719</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		30		30
Revaluation reserve	12		533,431		274,468
Profit and loss account	12		<u>2,171,445</u>		<u>3,594,221</u>
<b>Shareholders' funds</b>	13		<u><u>2,704,906</u></u>		<u><u>3,868,719</u></u>

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

13 October 2011


Dr N Loxley  
Director

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

# WHITE ROSE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

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### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with applicable accounting standards

#### 1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

#### 1.3 Investments

Fixed asset investments are valued in accordance with BVCA guidelines for the valuation of early stage technology investments and life sciences businesses

#### 1.4 Government grants

Funding has been received by the company in accordance with the conditions of the University Challenge Fund and a number of other bodies. The company will make future investments based on its business plan. As a result, the directors are of the opinion that the funding received will be allocated to the accounting periods in which investments are made

### 2. Operating loss

The operating loss is stated after charging

	2011 £	2010 £
Auditors' remuneration	6,000	6,000

### 3. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	22,956	30,337

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No.
Directors	10	10

# WHITE ROSE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

### 4. Other finance income

	2011 £	2010 £
Deferred expenses	125,000	125,000
Deferred income release	-	59,017
Total	<u>125,000</u>	<u>184,017</u>

### 5. Directors' remuneration

	2011 £	2010 £
Emoluments	<u>22,956</u>	<u>30,337</u>

### 6 Taxation

	2011 £	2010 £
Adjustments in respect of prior periods	-	(2,606)
Tax on loss on ordinary activities	<u>-</u>	<u>(2,606)</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2010 - the same as) the standard rate of corporation tax in the UK of 28% (2010 - 28%) as set out below

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(1,422,776)</u>	<u>(408,692)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	(398,377)	(114,434)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	75,035	68,228
Adjustments to tax charge in respect of prior periods	-	(2,606)
Other timing differences leading to an increase (decrease) in taxation	-	25,665
Movements on investments	323,342	20,541
<b>Current tax charge/(credit) for the year (see note above)</b>	<u>-</u>	<u>(2,606)</u>

# WHITE ROSE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

### 7. Fixed asset investments

	Listed investments £	Unlisted investments £	Loans to group undertakings and participating interests £	Total £
<b>Cost or valuation</b>				
At 1 August 2010	305,075	2,756,981	352,892	3,414,948
Additions	242,197	114,981	165,000	522,178
Disposals	(280,661)	-	-	(280,661)
Revaluations	-	258,963	-	258,963
Amounts written off	(123,854)	(1,035,025)	(110,000)	(1,268,879)
At 31 July 2011	142,757	2,095,900	407,892	2,646,549
<b>Net book value</b>				
At 31 July 2011	142,757	2,095,900	407,892	2,646,549
At 31 July 2010	305,075	2,756,981	352,892	3,414,948

#### Listed investments

The market value of the listed investments at 31 July 2011 was £142,757 (2010 - £305,075)

#### Holdings of more than 20%

Company	Country of registration or incorporation	Class	Shares held %
Adjuvantix Limited	England & Wales	Ordinary	31
Asterion Limited	England & Wales	Ordinary	39
Procure Therapeutics Limited	England & Wales	Ordinary	22
Instrumental Limited	England & Wales	Ordinary	33
Cizzle Biotechnology Limited	England & Wales	Ordinary	28

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

# WHITE ROSE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

	Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
Adjuvantix Limited	(138,419)	(429,302)
Asterion Limited	-	-
Procure Therapeutics Limited	(99,506)	(206,113)
Instrumental Limited	(60,256)	(281,181)
Cizzle Biotechnology Limited	(119,143)	(80,869)

The information disclosed above is taken from the latest available management accounts as audited financial statements are not available for the current financial year

The directors actively monitor the development of the above investments, which are held for the long term. They are of the opinion that, in accordance with the BVCA Guidelines, the fair value of these investments is not less than £2,646,549 (2010: £3,414,948) as at 31 July 2011.

The company's listed investment holdings have been included at bid market value as at 31 July 2011 to reflect any significant movements since the year end date.

Maven Capital Partners LLP provides fund management services to White Rose Technology Limited and under the terms of the fund management contract has the right to acquire an option over 10% of the company's holding in each of its investments. In the opinion of the directors the value of investments disclosed in the financial statements are not materially affected by these options.

No provision has been made for United Kingdom taxation which would arise if the investments were disposed of at their revalued amounts.

### 8 Debtors

	2011 £	2010 £
Prepayments and accrued income	40,272	185

### 9. Creditors: Amounts falling due within one year

	2011 £	2010 £
Government grants received	125,000	-
Other creditors	-	77,900
Accruals and deferred income	79,221	28,187
	204,221	106,087

# WHITE ROSE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

### 10. Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Other loans	750,000	750,000
Government grants received	-	250,000
	<u>750,000</u>	<u>1,000,000</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable other than by instalments	<u>750,000</u>	<u>750,000</u>

There are no fixed repayment terms of these loans and no interest is paid or accrued

### 11 Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
30 Ordinary shares of £1 each	<u>30</u>	<u>30</u>

### 12. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2010	274,468	3,594,221
Loss for the year		(1,422,776)
Surplus on revaluation of fixed assets investments	258,963	
	<u>533,431</u>	<u>2,171,445</u>
At 31 July 2011		

### 13. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	3,868,719	4,391,590
Loss for the year	(1,422,776)	(406,086)
Other recognised gains and losses during the year	258,963	(116,785)
	<u>2,704,906</u>	<u>3,868,719</u>
Closing shareholders' funds		

# WHITE ROSE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

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### 14. Other financial commitments

At the year end the directors have committed to invest £75,000 in Cizzle Biotechnology Limited, £75,000 in Pro-Cure Therapeutics Limited and £75,000 in Phase Focus Limited

### 15. Related party transactions

Dr N Loxley is a director of Instrumentel Limited and Phase Focus Limited in which the company holds an investment Prof R A Williams is a director of Structure Vision Limited

	2011 Balance outstanding £	2010 Balance outstanding £
Directors fees and expenses	18,951	2,690

### 16. Post balance sheet events

During the year the Directors have undertaken a strategic review of the funding and cost structure of the business. As a consequence of this review Maven Capital Partners LLP will complete their contract on 15 October 2011 as fund managers to the company

The board will have direct responsibility for the future investment review function. The Directors believe that this action will provide additional finance support to the portfolio of investments held by White Rose Technology Limited

Since the year end a further £150,000 has been approved and invested in Magnomatics Limited and £50,000 approved for Cizzle Biotechnology Limited