

**CENTRE OF EXCELLENCE FOR  
LIFE SCIENCES LIMITED  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED**

**31 MARCH 2010**



**unw LLP**

Chartered Accountants & Statutory Auditor  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	I D Shott CBE M J Sipple-Asher J H Anstee DL A G Balls CB C F Higgins DL M J Whittaker
<b>Company secretary</b>	Anthea Morris
<b>Registered office</b>	Quorum 16 Quorum Business Park Benton Lane Newcastle upon Tyne NE12 8BX
<b>Auditor</b>	unw LLP Chartered Accountants & Statutory Auditor Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Barclays Bank Plc City Office 71 Grey Street Newcastle upon Tyne
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF  Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB  Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT** *(continued)*

### **YEAR ENDED 31 MARCH 2010**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of promotion and development of the North East Health, Healthcare and Life Science Industries

The company is a not for profit entity

#### **FINANCIAL REVIEW**

Cels is predominantly funded to deliver projects funded by grants from the Regional Development Agency ONE North East. Cels also receives grants from the European Regional Development Fund (ERDF), income from its trading company CBSL, and from the project beneficiaries where they are asked to contribute towards the costs of running the project.

During the year Cels recognised grant income of £2,267k (2009 £4,615k) for the NICII and NEPAF funded by ONE. Cels also received additional income from some of the activities associated with these projects taking total income to £2,317k (2009 £4,815k).

Cels is not able to profit from grant funded projects and can only claim the grant required to fund these activities. The profit in 2010 relates to the excess of dividends received from the trading company, these will be used for public benefit activities in future years. The financial statements showed a profit in the year ended 31 March 2010 of £nil (2009 £nil).

In March 2009, Cels was awarded £1.65 million pounds of funding over three years from 1 April 2009 to 31 March 2012. However, the funder of this project now faces considerable funding uncertainty of its own, and may not be able to honour its original commitment. The directors believe that there is a significant amount of concern about whether this funding commitment and other funding will be available and this may affect the company's ability to continue as a going concern. However, the financial statements do not include any adjustments that would result from the loss of funding as the directors believe they will be able to develop a contingency plan to deal with all eventualities.

The Cels group was restructured to enable Cels to meet the requirements of this new project Networks, Innovation Connectors and Inward Investment (NICII), and to perform more activities in CBSL.

#### **CELS AIMS AND OBJECTIVES**

Our vision sets out the organisation we wish to be

The Cels group will be a leading provider of high value technical and business services to the life sciences sector developing a reputation for excellence in all that we do.

Our mission statement sets out our aims

We aim to be an organisation that delivers measurable added value to our customers

We aim to deliver public benefit services to promote life science activities in the North East of England and to attract new organisations to the region

We aim to be a world class provider of scientific products and analytical services

The Cels group of companies values its reputation for excellence through the quality of work it delivers on time and within the resource frame agreed.

# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2010**

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We are committed to

- Delivering excellence
- Supporting life science companies to be the best they can be
- Working with partners to deliver national benefits to the life science community- Invest in excellent staff and products
- Valuing diversity
- Being socially responsible

### **CELS GROUP STRUCTURE**

The Centre of Excellence for Life Sciences Limited (trading as Cels) was formed on 17 December 1999 as Bio Sci North Limited, and on 16 April 2003 was renamed the Centre of Excellence for Life Sciences Limited. Cels was founded as a company responsible for delivering ONE Northeast's strategy to grow and develop the North East of England's health, healthcare and life science economy.

On 14 March 2006, Cels, with the consent of the Secretary of State formed Cels Business Services Limited (trading as CBSL) as a wholly owned subsidiary company (limited by shares). CBSL was set up in order for Cels to have a vehicle to deliver commercial projects which Cels was legally restricted (through section 5 consents) in its ability to deliver. CBSL distributes 50% of its retained profits over £100,000 to Cels by way of dividend each year. This completes a virtuous circle whereby the trading activities can help to support the public duty activities.

On 30 January 2009 the Centre of Excellence for Life Sciences group formed a new wholly owned dormant company Cels Ltd owned by Cels Business Services Ltd, and on 12 February 2009 formed three more dormant companies CBSL Ltd, NEPAF Ltd and Angel Alliance Ltd, wholly owned by Cels Ltd.

Cels performs projects awarded by grants from the public sector to promote the healthcare and life sciences industry in the North East of England.

CBSL performs commercial projects for the public and private sectors, manages regional infrastructure, and holds share holdings in regional life science companies.

### **CELS GROUP GOVERNANCE AND MANAGEMENT**

The Cels group is headed by an effective Board which leads and controls the group. There is clear division of responsibilities between the Board's responsibilities and those of the executive team. The board receives and reviews on a timely basis operating and financial information appropriate to being able to discharge its duties.

The Cels board consists of 4 (year ended 31 March 2009: 5) non-executive directors and 1 (year ended 31 March 2009: 1) executive director. The CBSL board consists of 1 (year ended 31 March 2009: 1) non-executive director and 2 (year ended 31 March 2009: 2) executive directors.

The Cels board is supported in its governance by the Audit Committee and Remuneration Committees who cover all group companies and report to the main board.

### **RECRUITMENT, APPOINTMENT AND INDUCTION OF DIRECTORS**

Cels appoints new board members through setting up a nominations committee of at least two directors to agree a description of the role of the director and to identify the skills and experience required of the successful candidate; this is followed by regional and national advertising. The nominations committee will shortlist, interview and recommend a candidate to the full board. Alternatively, a vote of the existing board can appoint a new member. The minimum number of directors is 2, and there is no maximum. There is no set term of office. All board members are offered an induction into the Cels group with members of the executive team and training on their role and responsibilities from the Cels group's solicitors.

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# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2010**

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The Chairman is appointed by the board of directors for a period of three years, after which the Chairman can retire or seek reappointment

### **INTERNAL CONTROLS AND RISK MANAGEMENT**

Systems and procedures have been established to identify, monitor and manage the risks faced the Cels group. The board has delegated this responsibility to the Audit Committee who review the Cels group risk register and mitigating actions twice a year. The Cels group also has a disaster recovery plan which is reviewed each year by the Audit Committee

The most significant risk facing the parent company is the continued funding by the Regional Development Agency, One North East, and its ability to honour its funding commitments

The risk of interest rate changes, debt market prices and liquidity are extremely low. The company holds small investments in unlisted companies received in exchange for consultancy work. Loans have been made to these companies. The Board regularly review the value of the investments and recoverability of the loans, however the cash impact of these falling would be minimal

Cels receives the majority of its funds in advance, so debts are met as they fall due, surplus cash is invested to set periods of time to ensure certainty of future interest flows

Cels retained its ISO 9001 (2000) quality standard in March 2010

### **EMPLOYEE INVOLVEMENT**

The Cels group places considerable value on the involvement of its employees. It is committed to developing policies that encourage all employees to achieve their greatest potential and contributing to the success of the group

The Cels group holds weekly meetings for all employees for

- Management to present and address any issues
- Employees to present their area of work
- Employees to ask questions of management
- Continuous improvement of communication between staff and management

Management takes employee involvement and internal communication very seriously, in addition to the above meeting, employees have regular team meetings, anonymous surveys on how employees feel involved in the company, and a suggestion scheme

A team building event was held in August 2009 for staff to develop and contribute towards the Cels group strategic direction and planning

### **EQUAL OPPORTUNITIES AND DIVERSITY**

The Cels group recognises the positive value of diversity within the workplace. The group meets its legal requirements and welcomes employees from all community groups

The Cels group operates equal opportunities in recruitment, training and promotion regardless of gender, ethnic origin, age, religion or philosophical belief, nationality or disability

The Cels group is committed to make all reasonable adjustment to keep any employee who has become disabled in employment by modifying the work environment or work requirements

The Cels group ensures that all employees have equal access to training and development, and that career advancement is due to the merit of the individual. Cels was awarded Investors in People Status in May 2007

### **ENVIRONMENTAL IMPACT**

The Cels group is committed to continuous improvement in environmental management. The Cels

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# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2010**

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group does this by - Encouraging staff to identify new green initiatives

- Recognising that compliance with relevant environmental legislation is our minimum level of performance
- Developing staff awareness regarding the impact on the environment of their actions - Having a written Environmental policy, and undertaking an audit of this policy on an annual basis to ensure it is relevant

### **CORPORATE SOCIAL RESPONSIBILITY**

The Cels group encourages its staff to be responsible members of society. During the year, the Cels group supported its staff to volunteer within the region. Examples of this are

- School governors
- Trustees of local and regional charities in health, research and the environment
- Participating as a lay member of the UKCRC for Strokes
- Assisting with a healthy water project in Ethiopia

### **CREDITOR PAYMENT POLICY**

The Cels group makes every effort to comply with the agreed payment terms of undisputed creditors' invoices

### **DIRECTORS**

The directors who served the company during the year were as follows

I D Shott CBE  
M J Sipple-Asher  
J H Anstee DL  
A G Balls CB  
C F Higgins DL  
M J Whittaker

### **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 of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
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# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2010**

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- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### **AUDITOR**


unw LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office  
Quorum 16  
Quorum Business Park  
Benton Lane  
Newcastle upon Tyne  
NE12 8BX

Signed by order of the directors



ANTHEA MORRIS  
Company Secretary

Approved by the directors on 11 August 2010

# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED**

**YEAR ENDED 31 MARCH 2010**

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We have audited the financial statements of Centre of Excellence for Life Sciences Limited for the year ended 31 March 2010. 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 Section 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 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 DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 to 7, 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by 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 company's affairs as at 31 March 2010 and of its result 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.

### **EMPHASIS OF MATTER – GOING CONCERN**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is uncertain about the level of funding it is going to receive from public sources in the next 12 months which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **OPINION ON OTHER MATTERS 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.

# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRE OF EXCELLENCE FOR  
LIFE SCIENCES LIMITED *(continued)***

**YEAR ENDED 31 MARCH 2010**

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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 prepare the financial statements and the directors' report in accordance with the small companies regime

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

11 August 2010



Andrew Wilson FCA (Senior  
Statutory Auditor)  
For and on behalf of  
unw LLP  
Chartered Accountants  
& Statutory Auditor

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
<b>TURNOVER</b>		<b>2,267,498</b>	4,815,619
Administrative expenses		<b>2,303,726</b>	4,303,976
<b>OPERATING (DEFICIT)/SURPLUS</b>	<b>2</b>	<b>(36,228)</b>	511,643
Income from shares in group undertakings	5	<b>49,482</b>	–
Income from other fixed asset investments	6	–	9,163
Interest receivable and similar income		–	37,267
Amounts written off investments	7	–	(558,073)
Interest payable and similar charges		<b>11,793</b>	–
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>25,047</b>	–
Tax on surplus on ordinary activities		<b>(758)</b>	–
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>25,805</b>	–
Balance brought forward		<b>41,936</b>	41,936
Balance carried forward		<b>67,741</b>	41,936

The notes on page 9 form part of these financial statements.

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,487,521	2,213,924
Investments	9	25,000	25,000
		<u>1,512,521</u>	<u>2,238,924</u>
<b>CURRENT ASSETS</b>			
Debtors	10	704,453	663,448
Cash at bank and in hand		189,085	857,741
		<u>893,538</u>	<u>1,521,189</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	351,799	1,005,253
		<u>541,739</u>	<u>515,936</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,054,260</u>	<u>2,754,860</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Government grants	13	1,986,519	2,712,924
		<u>67,741</u>	<u>41,936</u>
<b>RESERVES</b>	15		
Income and expenditure account		67,741	41,936
<b>MEMBERS' FUNDS</b>		<u>67,741</u>	<u>41,936</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 11 August 2010, and are signed on their behalf by



I D SHOTT CBE



M J SIPPLE - ASHER

Company Registration Number 03898306

The notes on page 10 form part of these financial statements.

# **CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

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)

#### **Going concern**

The company is reliant on funding from public sources for its operations. The directors have considered the operations of the company for the forthcoming year and on the basis of the funds currently committed have projected an operational deficit. The directors believe that the company will achieve sufficient incoming resources and reserves to permit it to operate at a minimum of its current level for the foreseeable future. The directors believe it is therefore appropriate to prepare the financial statements on a going concern basis.

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

#### **Turnover**

Turnover represents net invoiced sales, excluding value added tax, revenue grants receivable and the release of capital grants.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Patents and Licences - 10% Straight line

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	20% to 33 33% straight line
Fixtures & Fittings	-	20% and 33 33% straight line
Motor Vehicles	-	25% straight line
Computer Equipment	-	33% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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### 1 ACCOUNTING POLICIES *(continued)*

#### Pension costs

The company operates a defined contribution pension scheme. Contributions to the companies pension scheme are charged to the profit and loss account in the period to which they relate.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Deferred grants

Deferred grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

### 2 OPERATING (DEFICIT)/SURPLUS

Operating (deficit)/surplus is stated after charging/(crediting)

	2010 £	2009 £
Amortisation of government grants	(726,405)	(1,506,690)
Amortisation of intangible assets	–	52,500
Depreciation of owned fixed assets	726,866	621,287
(Profit)/Loss on disposal of fixed assets	(216)	61,422
Auditor's fees	14,500	18,600

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Number of directors	6	7
Number of staff	11	22
	<u>17</u>	<u>29</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	676,187	1,330,581
Social security costs	91,759	153,036
Other pension costs	54,167	127,609
	<u>822,113</u>	<u>1,611,226</u>

### 4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Aggregate remuneration	<u>242,808</u>	<u>254,923</u>

### 5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2010	2009
	£	£
Income from group undertakings	<u>49,482</u>	<u>-</u>

### 6. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2010	2009
	£	£
Profit on sale of investments	<u>-</u>	<u>9,163</u>

### 7. AMOUNTS WRITTEN OFF INVESTMENTS

	2010	2009
	£	£
Amount written off investments	<u>-</u>	<u>558,073</u>

The directors undertook an impairment review of the fixed asset investments resulting in a charge to the profit and loss account of £nil (2009 £558,073)

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer equipment £	Total £
<b>COST</b>					
At 1 April 2009	2,689,631	11,505	10,799	171,103	2,883,038
Additions	–	–	–	639	639
Disposals	–	(6,529)	–	(63,852)	(70,381)
<b>At 31 March 2010</b>	<u>2,689,631</u>	<u>4,976</u>	<u>10,799</u>	<u>107,890</u>	<u>2,813,296</u>
<b>DEPRECIATION</b>					
At 1 April 2009	579,010	6,028	5,400	78,676	669,114
Charge for the year	672,408	3,255	2,700	48,503	726,866
On disposals	–	(6,354)	–	(63,851)	(70,205)
<b>At 31 March 2010</b>	<u>1,251,418</u>	<u>2,929</u>	<u>8,100</u>	<u>63,328</u>	<u>1,325,775</u>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2010</b>	<u>1,438,213</u>	<u>2,047</u>	<u>2,699</u>	<u>44,562</u>	<u>1,487,521</u>
At 31 March 2009	<u>2,110,621</u>	<u>5,477</u>	<u>5,399</u>	<u>92,427</u>	<u>2,213,924</u>

One NorthEast retains a right of lien over all capital assets for a period of 5 years from the date of the final grant

### 9. INVESTMENTS

	Shares in Group Undertaking £
<b>COST</b>	
At 1 April 2009 and 31 March 2010	<u>25,000</u>
<b>AMOUNTS WRITTEN OFF</b>	<u>–</u>
<b>NET BOOK VALUE</b>	
At 31 March 2010 and 31 March 2009	<u>25,000</u>

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 9. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the company listed below,

	2010 £	2009 £
<b>Aggregate capital and reserves</b>		
Cell Business Services Ltd	85,643	100,328
<b>Profit and (loss) for the year</b>		
Cell Business Services Ltd	14,683	(39,355)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

### 10. DEBTORS

	2010 £	2009 £
Trade debtors	10,623	41,055
Amounts owed by group undertakings	544,911	171,900
Corporation tax repayable	758	—
Other debtors	148,161	450,493
	<u>704,453</u>	<u>663,448</u>

### 11. CREDITORS. Amounts falling due within one year

	2010 £	2009 £
Trade creditors	—	4,068
Other taxation and social security	41,990	70,932
Other creditors	309,809	930,253
	<u>351,799</u>	<u>1,005,253</u>

Other creditors include a grant creditor of £256,948, (2009 £844,343) The grant creditor balance represents grant income due from funding providers less grants received, not yet recognised

### 12 PENSIONS

The company operates a defined contribution pension scheme. Total pension costs for the year were £54,167 (2009 £127,609). Contributions of £nil are outstanding at the period end (2009 £9,214)

# CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 13. GOVERNMENT GRANTS

	2010 £	2009 £
<b>Received and receivable.</b>		
At 1 April 2009	2,712,924	2,268,400
Receivable during year	640	1,951,214
Fully amortised	(727,045)	(1,506,690)
At 31 March 2010	<u>1,986,519</u>	<u>2,712,924</u>

### 14. RELATED PARTY TRANSACTIONS

Transactions with Reinnervate Ltd of which M J. Sipple-Asher is a director and was chairman until 20 October 2009

The company invoiced Reinnervate Ltd £11,747 in the year for directors services (2009 £6,000) and £15,000 (2008 £nil) to rearrange the loan facility which was written down to £nil in last years accounts

Reinnervate have also been invoiced £460 for healthconnect membership and business life tickets

Transactions with International Centre for Life Limited (ICFL) of which A G Balls is a director,

The company paid ICFL £11,276 of which £5,000 was for agreed dilapidations and the remainder for room hire, refreshments, car parking and postage charges In 2008 £91,793 was paid to ICFL for rent

### 15. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association The directors hold no shares in the company Each member of the company is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company