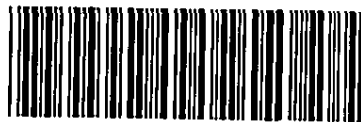


**The Centre for Scientific Enterprise  
Limited  
Annual Report  
for the year ended 31 July 2009**

**Registered no: 3983320**

**A company limited by guarantee**

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# **The Centre for Scientific Enterprise Limited**

## **Directors' Report for the year ended 31 July 2009**

### **Structure, Governance and Management**

#### Governing Document

The Centre for Scientific Enterprise ("CSEL") is a private company limited by guarantee and an exempt charity. Its aim was to act as a commissioning and funding body to promote the transfer of science and technology ideas into commercial products and services. This included establishing new academic courses, training academic staff, and commissioning specific teaching materials.

However, prior to 31 July 2009 the directors took the decision to cease trading. As the directors intend to cease operations they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

#### Recruitment and appointment of directors

The directors of the company during the year ended 31 July 2009 were:

	Appointed	Resigned
Professor Michael Hay		
Dr Paul David Atherton		26 June 2009
Professor Bernard Buxton		
Professor Kenneth Michael Spyer		

The directors of the company are also charity trustees for the purposes of charity law.

The Chief Executive Officer during the year ended 31 July 2009 was Mr Peter Reid.

#### **Registered Office**

1-26 Sussex Place  
Regents Park,  
London NW1 4SA

#### **Auditors' Address**

BDO LLP  
Emerald House,  
East Street,  
Epsom, Surrey  
KT17 1HS

#### **Solicitors**

Farrer & Co  
66 Lincoln's Inn Fields,  
London  
WC2A 3LH

#### **Bankers**

HSBC Bank plc  
90 Baker Street,  
London  
W1U 6AX

# **The Centre for Scientific Enterprise Limited**

## **Directors' Report for the year ended 31 July 2009 (continued)**

### Trustee induction and training

The directors as charity trustees have control of the company and its property and funds. Each trustee is made aware of their duties to the Trust upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect the role and responsibilities of trustees. Every director must sign a declaration of willingness to act as a charity trustee of the company before he or she is eligible to vote at any meeting of the directors.

### Risk management

The major risks that the company is exposed to, as identified by the trustees, have been reviewed and systems or procedures have been established to manage these risks.

When considering business decisions, the Board will assess the associated risk factors. Any actions or strategies pursued by the Chief Executive Officer take into account all key risks faced by the company and are formally approved by the Board before implementation. Internal control risks are minimised by the implementation of procedures for authorisation of all financial transactions.

### Organisational structure

The directors are responsible for the strategic direction and policy of the charity. The day to day responsibility for the provision of services rests with the Chief Executive Officer.

### Related parties

CSEL is a subsidiary company of UCLBS Limited. UCLBS Limited is a joint venture company of London Business School and University College London ("UCL").

### **Objectives and activities**

The aim of CSEL is the promotion of education in the fields of scientific enterprise and entrepreneurship studies by all charitable means. It acts as a commissioning and funding body to promote the transfer of science and technology ideas into commercial products and services.

CSEL was originally funded by a £4.6 million award from the Office of Science and Technology. Further funding of £300,000 per annum was received from HEFCE, via London Business School and UCL to support operations for the financial accounting periods up to and including the 12 months to 31 July 2008. No HEFCE funding was received during 2008/09. Grant funding of £5 million was committed to CSEL in 2002/03 over a 3 year period by UK Trade & Investment for the Chevening Technology Enterprise Scholarship Programme ("CTES").

# **The Centre for Scientific Enterprise Limited**

## **Directors' Report for the year ended 31 July 2009 (continued)**

During 2005/2006 and 2006/2007 CSEL received total funding of £178,626 to manage the Innovation Central Project for the London Borough of Camden. As at 31 July 2009 none (2008: £739) of these funds remain.

### **Achievements and financial performance**

The results for the year are shown in the Statement of Financial Activities on page 8 and show net resources expended of £641,808 (2008: £329,906). The main charitable activity continued to be the support of Higher Education Institution activities including course development and delivery, teaching material, student exchange between London Business School and UCL and other projects at London Business School and UCL respectively. Positive reserves of £408,776 (2008: £1,050,584) are carried forward.

### Principal funding sources

During the year to 31 July 2009 funding of £Nil was received from HEFCE (2008: £300,000). Investment income of £24,271 (2008: £67,443) and other fee income of £25,920 (2008: £31,450) were received in the year.

### Investment policy

The directors do not believe there is the potential for long term investment requirements in the foreseeable future. Surplus cash reserves are invested in the money markets.

### Reserves Policy

The company reserves are needed to meet the working capital requirements for the company. The level of reserves required is monitored in line with the development of future business plans.

### **Plans for future periods**

The directors have reconsidered the future strategic and operational role for CSEL. As a result of this review CSEL will cease to trade with effect from 13 November 2009.

### **Taxation status**

In the opinion of the directors, the company is an exempt charity as defined under the provisions of the Income and Corporation Taxes Act 1988 as amended by the Finance Act 1989.

### **Payment of suppliers**

It is the company's policy to pay all creditors who have complied with the company's terms and conditions within the time scale agreed with each supplier.

# **The Centre for Scientific Enterprise Limited**

## **Directors' Report for the year ended 31 July 2009 (continued)**

### **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 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.


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.

### **Awareness of relevant audit information**

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

**By order of the Board**

**Richard Frost  
Secretary**



10 - 11 2009

## **Independent Auditor's Report to the members of The Centre for Scientific Enterprise Limited**

We have audited the financial statements of The Centre for Scientific Enterprise Limited for the year ended 31 July 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein. As described in note 1, they have not been prepared on a going concern basis.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors***

The directors' (who are also the trustees) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006.

We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

# **Independent Auditor's Report to the members of The Centre for Scientific Enterprise Limited (continued)**

## ***Basis of audit opinion***

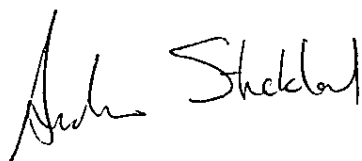
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of 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 as at 31 July 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.



*Andrew Stickland (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Epsom, Surrey, United Kingdom  
Date 21 December 2009*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# The Centre for Scientific Enterprise Limited

## Statement of Financial Activities for the year ended 31 July 2009

	Notes	Unrestricted funds 2009 £	Restricted funds 2009 £	Total 2009 £	Total 2008 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Donations and grants	2	-	-	-	300,000
<b>Activities for generating funds:</b>					
Investment income		24,271	-	24,271	67,443
<b>Incoming resources from charitable activities:</b>					
Other fees and income	3	25,920	-	25,920	31,450
<b>Total incoming resources</b>		<u>50,191</u>	<u>-</u>	<u>50,191</u>	<u>398,893</u>
<b>Resources expended</b>					
<b>Charitable activities:</b>					
HEI activities	5	660,515	-	660,515	680,489
Camden Innovation Central	5	-	739	739	7
<b>Governance costs</b>	5	<u>30,745</u>	<u>-</u>	<u>30,745</u>	<u>48,303</u>
<b>Total resources expended</b>		<u>691,260</u>	<u>739</u>	<u>691,999</u>	<u>728,799</u>
<b>Net movement in funds</b>		<u>(641,069)</u>	<u>(739)</u>	<u>(641,808)</u>	<u>(329,906)</u>
<b>Balance at 1 August</b>		<u>1,049,845</u>	<u>739</u>	<u>1,050,584</u>	<u>1,380,490</u>
<b>Balance at 31 July</b>		<u><u>408,776</u></u>	<u><u>-</u></u>	<u><u>408,776</u></u>	<u><u>1,050,584</u></u>

All amounts relate to activities that are discontinued.

There is no difference between the net movement in funds, stated above, and its historical cost equivalent.

The notes on pages 11 to 17 form part of these financial statements.



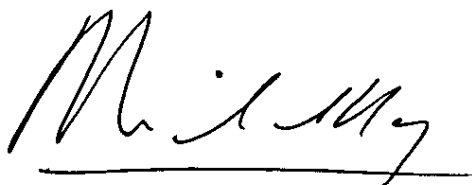
# The Centre for Scientific Enterprise Limited

(A company limited by guarantee, registered number 3983320)

## Balance Sheet as at 31 July 2009

	Notes	2009 £	2008 £
<b>Current assets</b>			
Debtors	8	3,706	15,814
Cash at bank and in hand		9,065	9,432
Short term deposits		687,868	1,110,427
		<u>700,639</u>	<u>1,135,673</u>
<b>Creditors: amounts falling due within one year</b>	9	(291,863)	(85,089)
<b>Net current assets</b>		<u>408,776</u>	<u>1,050,584</u>
<b>Net assets</b>		<u>408,776</u>	<u>1,050,584</u>
<b>Funds</b>			
Restricted funds		-	739
Unrestricted funds	12	408,776	1,049,845
<b>Total Funds</b>		<u>408,776</u>	<u>1,050,584</u>

The financial statements on pages 8 to 17 were approved by the Board of Directors and authorised for issue on 10-11 2009:



Professor Michael Hay  
Director

The notes on pages 11 to 17 form part of these financial statements.

# The Centre for Scientific Enterprise Limited

## Cashflow statement for the year ended 31 July 2009

	Notes	2009 £	2008 £
Cash outflow from operating activities		<b>(447,197)</b>	(378,439)
<b>Returns on investments and servicing of finance</b>			
Interest received		<b>24,271</b>	67,443
Decrease in cash in the year		<b>(422,926)</b>	(310,996)
Net funds at 1 August		<b>1,119,859</b>	1,433,212
Net funds at 31 July		<b>696,933</b>	1,119,859

### Notes to the cashflow statement

#### A. Reconciliation of net outgoing resources to cashflow from operating activities

	2009 £	2008 £
Net outgoing resources per statement of financial activities	<b>(641,808)</b>	(329,906)
Investment income	<b>(24,271)</b>	(67,443)
Decrease / (increase) in debtors	<b>12,108</b>	35,299
(Decrease)/ increase in creditors	<b>206,774</b>	(16,389)
	<b>(447,197)</b>	(378,439)

#### B. Analysis of change in net funds

	Opening at 1 August 2008 £	Cashflow £	Closing at 31 July 2009 £
Cash at bank and in hand	9,432	(367)	<b>9,065</b>
Short term deposits	1,110,427	(422,559)	<b>687,868</b>
Total	<b>1,119,859</b>	<b>(422,926)</b>	<b>696,933</b>

The notes on pages 11 to 17 form part of these financial statements.

# **The Centre for Scientific Enterprise Limited**

## **Notes to the financial statements for the year ended 31 July 2009**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice: Accounting and Reporting by Charities ("SORP") issued by the Charity Commission in March 2005. A summary of the more important accounting policies, which have been applied consistently, are set out below:

#### **(a) Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **(b) Grant income**

Grants are credited to income in the year in which they are receivable.

#### **(c) Charitable expenditure**

Expenditure on charitable activities consists of grants made to organisations to promote the objectives of the company, scholarships to students, lecturers and research. These are accounted for in the year in which they occur.

#### **(d) Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirement of the company and include the audit fees and costs associated with the strategic management of the company.

#### **(e) Fund accounting**

The funds represent the unspent portion of the grants that are held for the company's purpose outlined above.

#### **(f) Going concern**

As required by FRS 18.21 and as permitted by SI 2008/ 420 Schedule 1 (10) (2), the directors have prepared the financial statements on the basis that the company is no longer a going concern.

# The Centre for Scientific Enterprise Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 2 Donations and grants

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2009	2009	2009	2008
	£	£	£	£
HEFCE	-	-	-	300,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>

### 3 Incoming resources from charitable activities

	Unrestricted funds	Unrestricted funds
	2009	2008
	£	£
Other fees and income	25,920	31,450
UCL Student Exchange	<u>25,920</u>	<u>31,450</u>
	<u>25,920</u>	<u>31,450</u>

In the current year £25,920 was received from UCL to fund UCL EngD and MSc students attending London Business School electives.

### 4 Net outgoing resources

Net outgoing resources for the year are stated after charging:

	2009	2008
	£	£
Auditors' remuneration for audit services	<u>8,625</u>	<u>8,813</u>

# The Centre for Scientific Enterprise Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 5 Total resources expended

2009					
	Basis of allocation	HEI Activities £	Camden £	Governance £	Total £
<b>Costs directly allocated to activities:</b>					
Staff costs/contracts		111,548	-	-	111,548
Printing, stationery, other		233	-	-	233
Travel & entertainment		515	-	-	515
Grants		468,361	739	-	469,100
Catering		6,026	-	-	6,026
Brochures & booklets		1,052	-	-	1,052
<b>Support costs allocated to activities:</b>					
Staff costs/contracts		51,615	-	-	51,615
Printing, stationery, other		2,856	-	-	2,856
Travel & entertainment		117	-	-	117
Management fee		3,588	-	-	3,588
Catering		-	-	-	-
Software/hardware		2,377	-	-	2,377
Office rent/materials		12,227	-	-	12,227
Legal & professional		-	-	29,657	29,657
Insurance		-	-	1,045	1,045
Bank charges		-	-	43	43
Total resources expended		660,515	739	30,745	691,999

# The Centre for Scientific Enterprise Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 5 Total resources expended (continued)

2008					
	Basis of allocation	HEI Activities £	Camden £	Governance £	Total £
<b>Costs directly allocated to activities:</b>					
Staff costs/contracts	Direct	111,845	-	-	111,845
Printing, stationery, other	Direct	382	7	-	389
Travel & entertainment	Direct	2,480	-	-	2,480
Grants	Direct	490,694	-	-	490,694
Cases	Direct	420	-	-	420
Catering	Direct	7,554	-	-	7,554
Brochures & booklets	Direct	3,723	-	-	3,723
<b>Support costs allocated to activities:</b>					
Staff costs/contracts	Usage	29,955	-	-	29,955
Printing, stationery, other	Usage	6,076	-	-	6,076
Travel & entertainment	Usage	328	-	-	328
Management fee	Usage	2,275	-	-	2,275
Catering	Usage	246	-	-	246
Software/hardware	Usage	233	-	-	233
Office rent/materials	Usage	24,278	-	-	24,278
Legal & professional	Usage	-	-	45,308	45,308
Insurance	Usage	-	-	2,892	2,892
Bank charges	Usage	-	-	103	103
<b>Total resources expended</b>		<b>680,489</b>	<b>7</b>	<b>48,303</b>	<b>728,799</b>

# The Centre for Scientific Enterprise Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 6 Employees

Staff costs in the year totalled £140,166 (2008: £114,147).

#### Earnings of higher paid staff

	2009	2008
£70,000 - £79,999	<u>1</u>	<u>1</u>

Earnings of higher paid staff include salaries and pension costs before a share of the costs are allocated to London Technology Network (LTN).

20% of the £70,000 - £79,999 employee salary is recharged to LTN.

#### Average staff numbers for the year

	2009	2008
Total number	<u>3</u>	<u>3</u>

### 7 Directors' remuneration

The directors of the company do not receive any remuneration for their services as directors.

### 8 Debtors

	2009	2008
	£	£
Other debtors	<u>3,706</u>	<u>15,814</u>
	<u>3,706</u>	<u>15,814</u>

# The Centre for Scientific Enterprise Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 9 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	172	533
Amounts owed to London Business School	237,616	29,743
Amounts owed to UCL	-	46,000
Other creditors and accruals	54,075	8,813
	<u>291,863</u>	<u>85,089</u>

### 10 Controlling entities and related parties

UCLBS Limited is the parent company of CSEL. UCLBS Limited is a joint venture company of London Business School and UCL.

Payments made during the year to UCL were as follows:

	2009	2008
	£	£
Grants	122,029	298,633
<b>Total</b>	<u>122,029</u>	<u>298,633</u>

Payments made during the year to London Business School were as follows:

	2009	2008
	£	£
Grants	299,827	170,018
Conferences, training, catering	9,999	7,799
Support services	22,887	63,438
<b>Total</b>	<u>332,713</u>	<u>241,255</u>



# The Centre for Scientific Enterprise Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 10 Controlling entities and related parties (continued)

Support services include the costs of human resources and accounts services, rent and the running costs of the premises.

Amounts owed to London Business School and UCL at the year end, are disclosed in Note 9.

### 11 Taxation

In the opinion of the directors, CSEL is an exempt charity within the means of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the company is deemed to be exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for exclusively charitable purposes.

### 12 Analysis of assets between funds

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2009	2009	2009	2008
	£	£	£	£
Current assets	700,639	-	700,639	1,135,673
Current liabilities	(291,863)		(291,863)	(85,089)
Net assets	<u>408,776</u>	<u>-</u>	<u>408,776</u>	<u>1,050,584</u>

### 13 Movement in funds

	At 1 August 2008	Incoming resources	Outgoing resources	At 31 July 2009
	£	£	£	£
Restricted funds:				
Camden Innovation Central	739	-	(739)	-
Unrestricted funds:	1,049,845	50,191	(691,260)	408,776
Total funds	<u>1,050,584</u>	<u>50,191</u>	<u>(691,999)</u>	<u>408,776</u>