

**The Centre for Scientific Enterprise Ltd**  
**Report for the period ended 31 July 2002**

Registered no: 3983320

A company limited by guarantee



# **The Centre for Scientific Enterprise Ltd**

## **Directors' report for the period ended 31 July 2002**

The directors present their report and the audited financial statements for the period ended 31 July 2002.

### **Review of activities**

The Centre for Scientific Enterprise has been established as a joint venture company of London Business School (LBS) and University College London (UCL), initially backed with £4.6m of government grant. Its aim is to act as the commissioning and funding body to promote the transfer of science and technology ideas into commercial products and services. This venture includes establishing new academic courses, training academic staff, commissioning specific teaching materials, and developing enterprise laboratories.

The company was incorporated on 28 April 2000 as a company limited by guarantee and presented its first set of accounts to 31 July 2001.

The results of the company for the period are shown in the statement of financial activities on page 5.

### **Directors**

The directors of the company during the year ended 31 July 2002 were:

	Appointed
Sir Derek Roberts CBE	(Chairman)
Mr Danny Gesua	(Secretary)
Dr Suran Goonatilake	
Professor Michael Hay	
Mr Ian Laing	
Professor Sir Chris Llewelyn Smith FRS	
Dr Jeff Skinner	
Mr Edwin Moses	11 <sup>th</sup> September 2001

### **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 Ltd**

## **Directors' report for the period ended 31 July 2002 (Continued)**

### **Directors' responsibilities**

The Directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the resources received and expended by the company for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2002. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

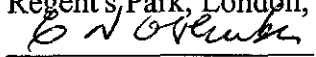
The Directors are responsible for ensuring that proper accounting records are kept, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

A resolution to appoint BDO Stoy Hayward was passed at the meeting in June 2001.

### **By order of the Board**



Danny Gesua  
Regent's Park, London, NW1 4SA  
 2002

**Secretary**

# **The Centre for Scientific Enterprise Ltd**

## **Independent Auditor's report to the members of The Centre for Scientific Enterprise Ltd**

We have audited the financial statements on pages 5 to 13, which have been prepared under the accounting policies set out on page 8.

### **Respective responsibilities of directors and auditors**

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

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

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 at 31 July 2002 and of its results and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO Stoy Hayward**  
Chartered Accountants and Registered Auditors

Epsom, Surrey

6 November 2002

# The Centre for Scientific Enterprise Ltd

## Statement of Financial Activities for the year ended 31 July 2002

		Restricted Funds	
	Notes	Year ended 31 July 2002	15 months ended 31 July 2001
		£	£
<b>Incoming resources</b>			
Grants		244,000	4,600,000
Investment income		160,490	327,774
<b>Total incoming resources</b>		<u>404,490</u>	<u>4,927,774</u>
 <b>Charitable expenditure</b>			
Grants	2	323,501	397,502
Scholarships		31,933	-
Lectures		10,380	-
Research		69,014	-
Other		47,204	56,957
Administrative expenses	3	326,638	462,330
<b>Total charitable expenditure</b>		<u>808,670</u>	<u>916,789</u>
 <b>Net (outgoing) incoming resources</b>		<u>(404,180)</u>	<u>4,010,985</u>
 Balance at 1 August 2001		4,010,985	-
 <b>Balance at 31 July 2002</b>		<u><u>3,606,805</u></u>	<u><u>4,010,985</u></u>

All of the company's activities are derived from continuing operations.

The company has no recognised gains and losses other than those shown above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the net movement in funds, stated above, and its historical cost equivalent.

The notes on pages 8 to 13 form part of these financial statements.  
The auditors' report is set out on page 4.

# The Centre for Scientific Enterprise Ltd

## Balance Sheet as at 31 July 2002

	Notes	Year ended 31 July 2002 £	15 Months ended 31 July 2001 £
<b>Fixed assets</b>			
Tangible fixed assets	6	10,504	-
<b>Current assets</b>			
Debtors	7	71,745	3,697
Cash at bank and in hand		2,840	1,367
Short term deposits		3,620,957	4,050,000
		<u>3,695,542</u>	<u>4,055,064</u>
<b>Creditors: amounts falling due within one year</b>	8	(99,241)	( 44,079 )
		<u>                    </u>	<u>                    </u>
<b>Net current assets</b>		3,596,301	4,010,985
<b>Total assets less current liabilities</b>		<u>3,606,805</u>	<u>4,010,985</u>
		<u>                    </u>	<u>                    </u>
<b>Reserves</b>	9	<u>3,606,805</u>	<u>4,010,985</u>
		<u>                    </u>	<u>                    </u>

The financial statements on pages 5 to 13 were approved by the Board of Directors on 08/11 2002 and were signed on its behalf.

Sir Derek Roberts )

Professor )

Michael Hay )

Directors

The notes on pages 8 to 13 form part of these financial statements.  
The auditors' report is set out on page 4.

# The Centre for Scientific Enterprise Ltd

## Cash flow statement for the year ended 31 July 2002

	Year ended 31 July 2002 £	15 Months ended 31 July 2001 £
Payments to acquire tangible fixed assets	(15,755)	-
Increase / (decrease) in deferred income	(404,180)	4,010,985
Depreciation	5,251	
Increase in debtors	(68,048)	(3,697)
Increase in creditors	55,162	44,079
Cash flow from operating activities	<u>(427,570)</u>	<u>4,051,367</u>
 Movement in liquid resources	 429,043	 ( 4,050,000)
 Increase in cash in the year	 <u>1,473</u>	 <u>1,367</u>
 Reconciliation of net cash flow to movement in net funds		
Increase in cash in the year	1,473	1,367
Cash movement from liquid resources	(429,043)	
	<u></u>	<u>4,050,000</u>
Movement in net funds in the period	(427,570)	4,051,367
Net funds at 1 August 2001	<u>4,051,367</u>	<u>-</u>
 Net funds at 31 July 2002	 <u>3,623,797</u>	 <u>4,051,367</u>

### Analysis of net funds

	Opening At 1 August 2001 £	Cash Flow £	Closing At 31 July 2002 £
Cash at bank and in hand	1,367	1,473	2,840
Short term deposits	<u>4,050,000</u>	<u>(429,043)</u>	<u>3,620,957</u>

# **The Centre for Scientific Enterprise Ltd**

## **Notes to the financial statements for the year ended 31 July 2002**

### **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 on Accounting by Charities ("SORP") issued by the Charity Commission in October 2000. A summary of the more important accounting policies, which have been applied consistently, is set out below :

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

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

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

Grant income is accounted for on the basis of cash received.

#### **(c) Direct 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 period that they are fulfilled.

#### **(d) Administrative expenses**

Administrative expenses are made from restricted funds. This expenditure is accounted for in the period in which it occurs.

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

The restricted fund represents the unspent portion of the grant that is held for the purpose outlined above.

#### **(f) Fixtures, fittings and equipment**

These assets are stated at cost. Depreciation is provided on cost over 3 years.

### **2 Grants**

Grants totalling £323,501 were awarded during the period (2001: £397,502) to develop and promote the education of students in science and business studies. The following grants that were over 5% of expenditure were made during the period:



# The Centre for Scientific Enterprise Ltd

## Notes to the financial statements for the year ended 31 July 2002 (Continued)

### 2 Grants (continued)

	Year ended 31 July 2002 £	15 Months ended 31 July 2001 £
University College London To develop and deliver Bioprocessing/Life Sciences Enterprise Training in the Department of Biochemical Engineering	174,133	174,756
University College London To deliver Enterprise Training in Management Studies Centre	24,468	62,682
University College London To deliver Executive Professional Development	63,345	
London Business School To support Sloan Masters students to promote entrepreneurship in science and technology	-	81,542
London Business School To support the Entrepreneurship Summer School	61,555	60,000
London Business School To develop a new MBA course in New Technology Ventures	-	30,200

# The Centre for Scientific Enterprise Ltd

## Notes to the financial statements for the period ended 31 July 2002 (Continued)

### 3 Administrative expenses

Administrative expenses for the period were:

	Year ended 31 July 2002	15 Months ended 31 July 2001
	£	£
Staff costs	60,220	162,258
Management service charges	34,516	-
Marketing and sponsorship	144,088	42,875
Audit	8,000	7,050
Consultants and professional fees	12,763	143,252
Travel and hospitality	1,849	26,306
Rent and insurance	37,286	29,827
Postage and Stationery	4,615	35,446
Depreciation	5,251	-
Other	18,050	15,316
	<u>326,638</u>	<u>462,330</u>

### 4 Employees

Staff costs in the period were £60,220 (15 months ended 31 July 2001: £162,258).

### 5 Directors' remuneration

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

# The Centre for Scientific Enterprise Ltd

## Notes to the financial statements for the period ended 31 July 2002 (Continued)

### 6 Fixed Assets

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 August 2001	-
Additions	15,755
At 31 July 2002	<u>15,755</u>
<b>Depreciation</b>	
At 1 August 2001	-
Additions	5,251
At 31 July 2002	<u>5,251</u>
<b>Net book value</b>	
At 31 July 2002	<u><u>10,504</u></u>
At 31 July 2001	<u><u>-</u></u>

### 7 Debtors: amounts falling due within one year

	2002 £	2001 £
Amount Owed by London Business School	71,745	-
Amount Owed by University College London	<u>-</u>	<u>3,697</u>
	<u><u>71,745</u></u>	<u><u>3,697</u></u>

# The Centre for Scientific Enterprise Ltd

## Notes to the financial statements for the period ended 31 July 2002 (Continued)

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

	2002 £	2001 £
Trade creditors	81,616	10,396
Amounts owed to University College London	17,625	-
Amounts owed to London Business School	-	33,682
	<u>99,241</u>	<u>44,078</u>

### 9 Funds

	Balance at 1 August 2001 £	Incoming Resources £	Outgoing Resources £	Balance at 31 July 2002 £
Centre for Scientific Enterprise	4,010,985	160,490	(768,170)	3,403,305
Technology Enterprise Scholarship Scheme	-	244,000	(40,500)	203,500
	<u>4,010,985</u>	<u>404,490</u>	<u>(808,670)</u>	<u>3,606,805</u>

The Centre for Scientific Enterprise Ltd has been established with an award from the Office of Science and Technology. The award was made in September 1999, the full amount being £4,600,000.

The Technology Enterprise Scholarship Scheme has been established with an award from the Secretary of State for Trade and Industry (Trade Partners UK). The award was made in May 2002.

Sufficient resources are held by the Centre for Scientific Enterprise Ltd in the fund to enable both funds to be applied in accordance with the terms of the award.

### 10 Controlling entities

The Centre for Scientific Enterprise has been established as a joint venture company of London Business School (LBS) and University College London (UCL).

# **The Centre for Scientific Enterprise Ltd**

## **Notes to the financial statements for the period ended 31 July 2002 (Continued)**

### **11 Taxation**

In the opinion of the directors the Centre for Scientific Enterprise Ltd is an exempt charity within the meaning 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 to exclusively charitable purposes.