

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**

**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 19 JUNE 2001 TO 31 JULY 2002**



**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2002**

**DIRECTORS**

K. Robson  
L.A. Meagher  
A.W. Hall from 15th October 2001  
S.R.Hodkinson from 15th October 2001  
N. Ladommatos from 15th October 2001  
J. Ellwood from 15th November 2001  
T.A.C. Webb from 22nd May 2002

**SECRETARY**

L.A. Meagher to 13th March 2002  
J.A.Clifford from 13th March 2002

**REGISTERED OFFICE**

Brunel Enterprise Centre  
Brunel University  
Uxbridge  
Middlesex  
UB8 3PH

**COMPANY NUMBER**

4237327

**BANKERS**

HSBC Bank plc  
PO Box 41  
High Street  
Uxbridge  
Middlesex  
UB8 1BY

**AUDITORS**

PricewaterhouseCoopers  
Southwark Towers  
32 London Bridge Street  
London SE1 9SY

**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2002**

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**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 JULY 2002**

The directors present their report and the financial statements for the period from 19 June 2001 to 31 July 2002.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each accounting period which 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 ACTIVITY AND REVIEW OF BUSINESS**

The company's principal activity is the commercial exploitation of intellectual property created within Brunel University. It plans to hold major interests in spin-out companies and smaller participating interests in licensees of the University's intellectual property. It is also the parent company of Brunel Science Park Limited, a Science Park operating company and Brunel University Services Limited, a shared group company used solely to provide an agency payroll service to other group companies.

The results for the period ended 31 July 2002 are set out on page 7.

The directors consider the results acceptable given the constraints on investment funds and the anticipated lead time in achieving investment returns.

**FUTURE DEVELOPMENTS**

At a meeting of the directors of B.U.E.L. on 25th November 2002, the directors resolved to sell its shareholding in B.U.S.L. to Brunel University at net asset value.

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**DIRECTORS' REPORT (Continued)**  
**FOR THE PERIOD ENDED 31 JULY 2002**

**FIXED ASSETS**

The company had no fixed assets at any time during the period.

**DIVIDENDS**

The directors do not recommend the payment of a dividend.

**EMPLOYEES**

The company had one seconded employee from Brunel University Services Limited, during the period. The employee received a non-pensionable salary for the period, which was fully remunerated by Brunel University Enterprises Limited and is included in the Administration Expenses. The employee, is eligible to join a defined contribution stakeholder pension scheme in the 2002/3 financial year, with no liabilities accruing as at 31 July 2002.

**DIRECTORS**

The directors who served during the period and their beneficial interests in the issued ordinary share capital were as follows:

K. Robson	NIL
L.A. Meagher	NIL
J. Ellwood	NIL
A.W. Hall	NIL
S.R.Hodkinson	NIL
N. Ladommatos	NIL
T.A.C. Webb	NIL

**AUDITORS**

PricewaterhouseCoopers were appointed by the board as auditors at the general meeting held on 15th November 2001.

**OWNERSHIP**

The company is wholly owned by Brunel University, a Charter Corporation governed by the laws of England

This report was approved by the board and signed on its behalf on xx December 2002.



J.A.Clifford  
Secretary

Brunel University  
Uxbridge, Middlesex, UB8 3PH

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUNEL UNIVERSITY ENTERPRISES LIMITED**

We have audited the financial statements which comprise; the profit and loss account, the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies on page 9.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **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 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.


**INDEPENDENT AUDITORS' REPORT (cont'd)**  
**TO THE MEMBERS OF BRUNEL UNIVERSITY ENTERPRISES LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 July 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

 December 2002

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 JULY 2002**

		Year to 31 July 2002
		£
Turnover		0
Cost of sales		0
Gross profit		<u>0</u>
Administration expenses		(39,616)
Income from shares in group undertakings		150,000
Operating profit	Note 2	<u>110,384</u>
Interest receivable	Note 5	34
Profit on ordinary activities before taxation		<u>110,418</u>
Gift Aid		0
Tax on profit on ordinary activities	Note 6	0
Profit on ordinary activities after taxation		<u>110,418</u>
Dividends		0
Retained Profit for the period		<u><u>110,418</u></u>

*All results are from continuing operations*

In the period, there was no difference between the profit on ordinary activities after taxation and the retained profit for the year stated above and their historical cost equivalents.

In the period, the company had no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses was presented.

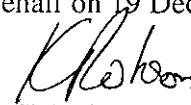
The notes on pages 9 to 11 form part of these financial statements.



**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**BALANCE SHEET**  
**AT 31 JULY 2002**

		As at 31 July 2002 £
<b>FIXED ASSET INVESTMENTS</b>	Note 7	
Shares in group undertakings		108
Participating interests		<u>19,999</u>
		<b>20,107</b>
<b>CURRENT ASSETS</b>		
Debtors (due within one year)	Note 8	
Debtors		2,066
Amounts owed by group undertakings		150,000
Amount owed by parent undertakings		<u>0</u>
		<b>152,066</b>
Cash at bank		<u>0</u>
		<b>152,066</b>
<b>CREDITORS: amounts falling due within one year</b>	Note 9	
Trade creditors		0
Other creditors including taxation		
Accruals and deferred income		1,392
Amounts owing to group undertakings		36,498
Amounts owing to parent undertakings		<u>23,864</u>
		<b>61,754</b>
<b>NET CURRENT ASSETS</b>		<u><b>90,312</b></u>
<b>CREDITORS: amounts falling due after one year</b>		<b>0</b>
<b>NET ASSETS</b>		<u><u><b>110,419</b></u></u>
<b>CAPITAL AND RESERVES</b>		
Called-up share capital	Note 10	1
Profit and loss account		<u>110,418</u>
		<b>110,419</b>
<b>SHAREHOLDER'S FUNDS</b>	Note 13	<u><u><b>110,419</b></u></u>

The notes on pages 9 to 11 form part of these financial statements.  
The financial statements were approved by the board and signed on its behalf on 19 December 2002

  
K. Robson  
Director

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2002**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

**Deferred taxation**

Deferred tax is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that it is a small company as defined in S 246 to S 249 of the Companies Act 1985.

**2. OPERATING PROFIT**

**2002**

Operating profit is stated after charging:

Auditors' remuneration

**£491**

**3. DIRECTORS' EMOLUMENTS**

No emoluments were paid or payable to or in respect of any director during the period.

**4. EMPLOYEE INFORMATION**

The average number of seconded employees during the period was 0.33 full time equivalents. Staff costs of £20,314 are included in Administration Expenses.

Salaries and wages

£18,333

Social security costs

£1,981

Pension costs

£0

**£20,314**

**5. INTEREST RECEIVABLE**

**2002**

Bank interest receivable

**£34**

**6. TAXATION**

No liability to Corporation Tax is expected to crystallise in respect of the results for this accounting period.

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED 31 JULY 2002**

**7. INVESTMENTS**

**Investments in subsidiaries:**

	Holding	Nominal	Cost £	% of issued share capital
Ability Products Limited *	1	£1	1	100%
Brunel Science Park Limited	1	£1	1	100%
Brunel University Services Limited **	2	£1	2	100%
Dynamic Extractions Limited *	1	£1	1	100%
Episport Limited *	1	£1	1	100%
Learning Interactive Limited *	1	£1	1	100%
Rheomatix Limited *	100	£1	100	100%
Sensory Fabrics Limited *	1	£1	1	100%
			<u>£108</u>	

\* Dormant since incorporation to 31 July 2002.

\*\* Did not trade from 1 August 2001 to 31 July 2002.

**Participating interests:**

Polymus Limited	15	£1	£10,000	10%
R.T. Circuits Limited	6,667	£0.5	£9,999	0.2%
			<u>£19,999</u>	

**8. DEBTORS**

	2002 £
Debtors	1
Value added tax recoverable	2,065
Amounts owed by group undertakings:	
Brunel Science Park Limited	150,000
	<u>£152,066</u>

**9. CREDITORS: amounts falling due within one year**

	2002 £
Accruals and deferred income	1,392
Amounts owing to group undertaking:	
Brunel University Services Limited	36,498
Amounts owing to parent undertakings:	
Brunel University	23,864
	<u>£61,754</u>

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED 31 JULY 2002**

**10. CALLED-UP SHARE CAPITAL**

		<b>2002</b>
Authorised:	1000 Ordinary shares of £1 each	<u><b>£1,000</b></u>
Allotted, issued and fully paid:	1 Ordinary shares of £1 each	<u><b>£1</b></u>

The 1 ordinary share of £1 each, was issued at par on 19 June 2001.

**11. RELATED PARTY TRANSACTIONS**

The company has had material transactions with its ultimate parent, Brunel University and its subsidiaries. These transactions are eliminated in the Consolidated Financial Statements of Brunel University which are publicly available. Accordingly, the company has availed itself of the dispensation in FRS 8 not to disclose such items in these financial statements.

**12. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking and controlling party is Brunel University, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Brunel University's consolidated financial statements can be obtained from its administrative headquarters, Cleveland Road, Uxbridge, Middlesex, UB8 3PH.

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

Period ended 31 July 2002

	Called-up share capital £	Profit and loss account £	Total shareholder's funds £
At incorporation	1	0	1
Result for the period	0	110,418	110,418
At 31 July 2002	<u>1</u>	<u>110,418</u>	<u>110,419</u>

**14. CAPITAL COMMITMENTS**

The company had no capital expenditure commitments at 31 July 2002.

**15. CONTINGENT LIABILITIES**

In the opinion of the directors, the company had no material contingent liabilities at 31 July 2002.