

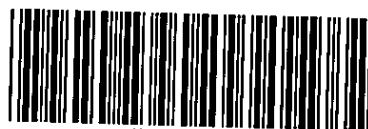
BRUNEL UNIVERSITY ENTERPRISES LIMITED

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2008

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Company No. 4237327

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008**

DIRECTORS

T.A.C. Webb
A. Simon
P.G.Osborn
M.Sahardi
R.Eastwood
A.McConnell
A.Bellasio

SECRETARY

L. Glassberg

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

KPMG LLP
One Canada Square
London
E14 5AG

BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

CONTENTS

Page	3-4	Directors' Report
	5-6	Independent Auditors' Report
	7	Profit and Loss Account
	8	Balance Sheet
	9	Reconciliation of Movements in Shareholders' Funds
	10-13	Notes to the Financial Statements

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2008**

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The directors present their report and financial statements for the year ending 31 July 2008.

The main activities of the company are to add value to its parent Brunel University by pursuing activities principally through the commercial exploitation of assets, tangible and intangible, held by and generated within the University and through the management and administration of the Brunel Science Park.

Commercialisation can include BUEL taking a shareholding in companies, including spinouts and licencing Brunel or BUEL Intellectual Property (IP). The Science Park management includes services to tenants, marketing, tenant relations and estate management.

During September 2007 Brunel University disposed of its Runnymede Campus as part of the overall master plan for developing the Uxbridge campus. As a result of this disposal, the Science Park tenants sited at Runnymede had their leases transferred to the new owners. This has reduced the Brunel Science Park operation to just the Uxbridge campus location.

The results for the year ended 31 July 2008 are set out on page 7. The operating profit for 2007/8 was gift aided to Brunel University.

STATEMENT OF 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 UK Accounting Standards. The financial statements are required by law to 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,
- state whether applicable UK 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.

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT FOR THE
YEAR ENDED 31 JULY 2008 (Continued)**

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period were as follows:

T.A.C. Webb	
A. Simon	
P.G.Osborn	
J.Mitchell	resigned 20 September 2007
M.Sahardi	
R.Eastwood	
A.McConnell	appointed 14 November 2007
A.Bellasario	appointed 07 May 2008

None of the directors had any beneficial interests in the issued ordinary share capital.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that KPMG LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

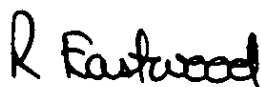
DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps [he/she] ought to have taken as a director to make [himself/herself] aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 2nd April 2009



R.Eastwood
Director

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

We have audited the financial statements of Brunel University Enterprises Limited for the year ended 31 July 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other 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 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 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.

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

Opinion

In our opinion:

- i the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2008 and of its profit for the year then ended;
- ii the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- iii the information given in the Directors' Report is consistent with the financial statements.

[Signature]

KPMG LLP
Chartered Accountants
Registered Auditor

28 May 2009

BRUNEL UNIVERSITY ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2008

		Year to 31 July 2008	Year to 31 July 2007
		£	£
Turnover		402,194	741,282
Cost of sales		(237,203)	(413,512)
Gross profit		<u>164,991</u>	<u>327,770</u>
Miscellaneous income		1,681	2,583
Administration expenses		(93,517)	(176,633)
Operating Profit	Note 2	<u>73,155</u>	<u>153,720</u>
Interest payable		(14,103)	(17,920)
Interest receivable	Note 5	1,213	1,627
Gift Aid payments	Note 6	(60,265)	(62,629)
Profit on ordinary activities before taxation		<u>0</u>	<u>74,798</u>
Tax on profit on ordinary activities	Note 7	0	0
Profit on ordinary activities after taxation		<u>0</u>	<u>74,798</u>
Retained Profit for the year		<u><u>0</u></u>	<u><u>74,798</u></u>

All results are from continuing operations

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

In the year, 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.

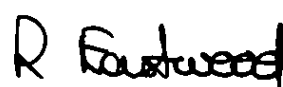
The notes on pages 10 to 13 form part of these financial statements.

BRUNEL UNIVERSITY ENTERPRISES LIMITED
BALANCE SHEET
AT 31 JULY 2008

		As at 31 July 2008	As at 31 July 2007
		£	£
FIXED ASSET INVESTMENTS	Note 8		
Participating interests		<u>97,257</u>	<u>90,262</u>
		97,257	90,262
CURRENT ASSETS			
Debtors:	Note 9		
due within one year		98,488	225,784
due after one year		<u>304,921</u>	<u>257,557</u>
		403,409	483,341
Cash at bank and in hand		<u>22,972</u>	<u>42,784</u>
		426,381	526,125
Creditors (amounts falling due within one year)	Note 10	453,265	546,014
NET CURRENT LIABILITIES		<u>(26,884)</u>	<u>(19,889)</u>
NET ASSETS		<u>70,373</u>	<u>70,373</u>
CAPITAL AND RESERVES			
Called-up share capital	Note 11	1	1
Profit and loss account		<u>70,372</u>	<u>70,372</u>
		70,373	70,373
EQUITY SHAREHOLDER'S FUNDS		<u>70,373</u>	<u>70,373</u>

The notes on pages 10 to 12 form part of these financial statements.

The financial statements were approved by the board and signed on its behalf on 2nd April 2009.



R. Eastwood
Director

BRUNEL UNIVERSITY ENTERPRISES LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
FOR THE YEAR ENDED 31 JULY 2008

	As at 31 July 2008	As at 31 July 2007
	£	£
Profit for the financial year	0	74,798
New share capital subscribed	<u>0</u>	<u>0</u>
Net (reduction in)/addition to shareholders' funds	0	74,798
Opening shareholders' funds	70,373	(4,425)
Closing shareholders' funds	<u><u>70,373</u></u>	<u><u>70,373</u></u>

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable UK Accounting Standards.

Investments

Investments consist entirely of short-term cash deposits.

Turnover

Turnover, which is stated net of Value Added Tax, represents amounts invoiced to Science Park tenants for rent and service charges. Turnover arises entirely within the United Kingdom.

Operating Leases

All leases are operating leases, and the annual rentals are charged to operating profit on a straight line basis over the lease term.

Lease of premises

The premises occupied by BUEL have been leased from Brunel University for the period until 31 July 2031. The premises may be sub-let, but only for specific uses that are set out in the Lease.

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 and consolidation

The company has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that its results, which are publicly available, are consolidated into those of its ultimate parent undertaking, Brunel University.

2. OPERATING PROFIT

	2007-08	2006-07
Operating profit is stated after charging:		
Operating lease rentals (other)	£77,400	£77,400
Auditors' remuneration	£2,500	£2,060

3. DIRECTORS' EMOLUMENTS

Directors' emoluments of £Nil were paid or payable by the company during the year (2007 - £Nil).

4. EMPLOYEE INFORMATION

The number of persons employed during the period was 1.2 full-time equivalents (2007 - 1.2). Two staff were employed and three were seconded from Brunel University. The employees of BUEL received non-pensionable salaries and the employees of Brunel University are members of two University pension schemes, the Universities' Superannuation Scheme and the London Pensions Fund Authority scheme. Brunel University contributes to these defined benefit schemes for the three seconded employees, and these contributions are included in the staff costs in the University's accounts. The seconded employee salary costs are fully reimbursed to Brunel University, and are included in Cost of Sales. One of the employees has joined a defined contribution stakeholder pension scheme, to which the company makes a contribution.

	2007-08	2006-07
Salaries and wages	£111,113	£99,680
Social security costs	£9,733	£9,794
Pension costs	£13,253	£11,801
	<u>£134,099</u>	<u>£121,275</u>

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2008

5. INTEREST RECEIVABLE

	2007-08	2006-07
Bank interest receivable	<u>£1,213</u>	<u>£1,627</u>

6. GIFT AID

A Gift Aid donation of £60,265 was made during 2007/8 (2006/7 - £62,629) to Brunel University, an Exempt Charity, out of the company's profits for the period.

7. TAXATION

No liability to Corporation Tax is expected to crystallise in respect of the results for this accounting period (2007 - Nil).

8. INVESTMENTS

	Participating interests £			
At 1 August	90,262			
Additions in year	6,997			
Disposals in year	(2)			
At 31 July	<u>97,257</u>			

Participating interests:	Number of shares held	Nominal value	Cost (£)	% of issued share capital
Ability Products Limited	5	£1	£5	33.33%
Advanced Acoustic Emissions	98	£1	£98	49%
BioRegional MiniMills (UK) Limited *	2	£1	£2	0.5%
Cascade Fund Management Limited	20	£1	£20	20%
Dynamic Extractions Limited	224	20p	£35,000	24.9%
FlexnLok Limited	375	10p	£38	37.5%
ForceSenSys Ltd	3000	£1	£7,081	30%
ForceSenSys Ltd - Preference shares	500	1p	£25,000	13.886%
Lifelab Innovations Limited	20,000	£1	£20,000	25.2%
Performance Brunel Ltd *	13	£1	£13	43.33%
Polymus Limited	15	£1	£10,000	10%
			<u>£97,257</u>	

* Dormant from incorporation to 31 July 2008

9. DEBTORS

	2008	2007
Debtors due within one year:	£	£
Debtors	95,128	166,793
Amounts owed by parent/group undertakings:		
Brunel University	3,360	58,992
Prepayments and accrued income	0	0
	<u>£98,488</u>	<u>£225,785</u>
Debtors due after one year:		
Loan to Prof.B.Jones	2,364	0
Loan to Cascade Fund Limited Partnership	100,000	100,000
Loan to Lifelab Innovations	13,333	13,333
Loan to Park Fund	100,000	75,000
Loan to Dynamic Extractions Limited	39,224	39,224
Loan to ForceSenSys Limited	40,000	20,000
Loan to Ability Products Limited	10,000	10,000
	<u>£304,921</u>	<u>£257,557</u>

The amounts owed by Group undertakings are unsecured, interest-free, and have no fixed date for repayment.

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2008

10. CREDITORS: amounts falling due within one year

	2008	2007
	£	£
Creditors including taxation	12,706	39,647
Accruals and deferred income	104,756	177,249
Amounts owing to parent undertaking: Brunel University	335,803	329,118
	<u>£453,265</u>	<u>£546,014</u>

The amounts owed to Group undertakings are unsecured, interest-free, and have no fixed date for repayment.

11. CALLED-UP SHARE CAPITAL

	2008	2007
	£1,000	£1,000
Authorised: 1000 Ordinary shares of £1 each		
Allotted, issued and fully paid: 1 Ordinary shares of £1 each	<u>£1</u>	<u>£1</u>

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

12. RELATED PARTY TRANSACTIONS

The company has had material transactions with its ultimate parent, Brunel University. 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.

13. 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.

14. CAPITAL COMMITMENTS

The company had no capital expenditure commitments at 31 July 2008 (2007 - Nil).

15. CONTINGENT LIABILITIES

In the opinion of the directors, the company had no material contingent liabilities at 31 July 2008 (2007 - Nil).

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2008

16. FINANCIAL COMMITMENTS

At 31 July 2008, the company had annual commitments under non-cancellable operating leases for the rent of land and buildings expiring as follows:

	2008	2007
	£000	£000
Within one year	0	0
Within two to five years	0	77,400
After five years	77,400	0
	<u>77,400</u>	<u>77,400</u>