

Surrey Enterprise Hub Limited

Report of the Directors and

Financial Statements for the Year Ended 31 March 2006

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Contents of the Financial Statements
for the Year Ended 31 March 2006

	Page
Company Information	1
Chairman's Report	2
Report of the Directors	3 to 4
Report of the Independent Auditors	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 to 11
Profit and Loss Account	12

Surrey Enterprise Hub Limited

Company Information
for the Year Ended 31 March 2006

DIRECTORS:

R N Biggs
J D Bevington
R French
N J Horton-Baker
Mrs M K Huckerby
Dr M J Parry
A P Woolhouse
K Robson
T Greenwood

SECRETARY:

G J Sparks

REGISTERED OFFICE:

The White House
2 Meadrow
Godalming
Surrey
GU7 3HN

REGISTERED NUMBER:

4358728 (England and Wales)

AUDITORS:

Hughes Waddell
The White House
2 Meadrow
Godalming
Surrey
GU7 3HN

Surrey Enterprise Hub Limited

Chairman's Report for the Year Ended 31 March 2006

At the end of our fourth year of operation, and our first year with SEEDA providing revenue funding for us as a "double hub" with a new three year contract, I am very happy to report that all our performance criteria are either on or ahead of target.

This is due to the excellent work put in by the whole team led by Enterprise Hub Director, Marilyn Huckerby. Since last year, with the additional funding in place, the team has been increased by the appointment of Tanya Boardman and Joanne Jenkins as Hub Managers based in Guildford and Egham respectively. Tanya is on secondment from the University of Surrey and Joanne is seconded from Business Link. These arrangements have proved very beneficial in keeping good links with those two partner organisations and also enable the Surrey Enterprise Hub to achieve the outcomes expected of a successful double hub.

We have also continued to receive excellent marketing and administration support from Haley Dwyer who is based in Leatherhead.

The employment of the Hub Managers means that for the first time we have been able to maintain a physical presence in all three partner locations. We have also been able to concentrate intensive support on a larger group of portfolio member companies whilst at the same time growing a larger pool of network members who are supported through a programme of events and regular newsletters.

A variation of this team based model is likely to be taken up across the whole Enterprise Hub Network.

The founder partners who include the University of Surrey (UniS) and the Surrey Research Park with the Surrey Technology Centre in Guildford, Royal Holloway, University of London (RHUL) with the Royal Holloway Enterprise Centre in Egham, and Leatherhead Food International (LFI) with the Leatherhead Enterprise Centre continue to be on our Board together with the Surrey Economic Partnership and Business Link Surrey. These very supportive organisations provide financial, infrastructure and technical support as well as guiding suitable client companies to the Enterprise Hub business support services.

Leatherhead Food International is now more heavily involved in the regional Food Enterprise Hub but retains partner status in the Surrey Enterprise Hub.

The regular business breakfast seminars, workshop and clinics run by the Enterprise Hub in Guildford and Egham continue to be very popular and provide good networking opportunities for the portfolio clients and the wider membership.

The Merlin Mentoring scheme funded by the European Social Fund and SEEDA, and managed for the Enterprise Hub Network by Finance South East has also proved very successful especially in Surrey where many of our client companies have benefitted significantly from the experience of the business mentors. The Surrey Enterprise Hub sponsors regular meetings of the mentors local to Surrey to exchange information and for them to learn more about the support and expertise available to business from the Enterprise Hub Network and our founder partners.

So now with a baseline of satisfied member companies that are growing their businesses with our help and a programme of activities that are proving popular with the network we look forward to our fifth year with an energetic team and our finances in good shape.

Nigel Biggs
Surrey Hub Champion
Chairman Surrey Enterprise Hub Limited

Surrey Enterprise Hub Limited

Report of the Directors **for the Year Ended 31 March 2006**

The directors present their report with the financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The company is limited by guarantee and as such is not able to distribute any profit to its members. Its objective is to create a focussed network promoting entrepreneurship, supporting and facilitating success in innovation, creating an interface between business and the scientific community, and building the capacity of Surrey as an economic driver for the South East.

Initially it has helped to form business "incubator" units in the premises of its three consortium members (University of Surrey (UniS), Royal Holloway University of London (RHUL) and Leatherhead Food International (LFI)) and it has sought to promote the use of these by newly established businesses in the area.

DIRECTORS

The directors during the year under review were:

R N Biggs	
J D Bevington	
R French	- appointed 8.9.05
N J Horton-Baker	
Mrs M K Huckerby	
Dr M J Parry	
S W Wilson	- resigned 31.1.06
A P Woolhouse	
K Robson	- appointed 21.3.06

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

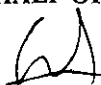
The auditors, Hughes Waddell, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Surrey Enterprise Hub Limited

Report of the Directors
for the Year Ended 31 March 2006

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
G J Sparks - Secretary

Date: 8/12/06

**Report of the Independent Auditors to the Members of
Surrey Enterprise Hub Limited**

We have audited the financial statements of Surrey Enterprise Hub Limited for the year ended 31 March 2006 on pages seven to eleven. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 auditors' 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on page three.

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 if, in our opinion, the Report of the Directors is 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note ten to the financial statements.

Report of the Independent Auditors to the Members of
Surrey Enterprise Hub Limited

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

Hughes Waddell

Hughes Waddell
The White House
2 Meadow
Godalming
Surrey
GU7 3HN

Date: 13-12-06

Surrey Enterprise Hub Limited

Profit and Loss Account
for the Year Ended 31 March 2006

	Notes	31.3.06 £	31.3.05 £
TURNOVER		63,430	46,678
Administrative expenses		150,158	84,275
		(86,728)	(37,597)
Other operating income	2	184,253	80,300
OPERATING PROFIT	3	97,525	42,703
Interest receivable and similar income		2,310	1,384
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		99,835	44,087
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		99,835	44,087

The notes form part of these financial statements

Surrey Enterprise Hub Limited

Balance Sheet

31 March 2006

	Notes	31.3.06 £	£	31.3.05 £	£
FIXED ASSETS					
Tangible assets	5		2,833		1,333
CURRENT ASSETS					
Debtors	6	78,882		29,511	
Cash at bank		137,736		77,263	
		216,618		106,774	
CREDITORS					
Amounts falling due within one year	7	16,528		5,019	
NET CURRENT ASSETS			200,090		101,755
TOTAL ASSETS LESS CURRENT LIABILITIES			202,923		103,088
RESERVES					
Profit and loss account	8		202,923		103,088
			202,923		103,088

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on 8-12-2006 and were signed on its behalf by:

Nigel Biggs
R N Biggs - Director

Mrs M K Huckerby
Mrs M K Huckerby - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents the value of services provided in the period, net of VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- 10% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences. Deferred tax assets are only recognised when there is a reasonable certainty that suitable taxable profits will arise from which the reversal of the asset can be deducted.

Pensions

The company contributes to the personal pension scheme of the director. Contributions are charged to the income and expenditure account as they are paid.

Grants receivable

Grant funds receivable are generally accounted for in the period in which they are receivable. Where a grant has been earmarked by the funding body for use in a specific way or to cover specified expenditure which has not been incurred at the year end, then the related proportion of the grant is carried forward as deferred income in creditors. The financial statements show the results of the transactions that have been under the direct control of the company and its officers.

2. OTHER OPERATING INCOME

Other operating income represents grants receivable. These have been received from the South East England Development Agency (SEEDA). (2005 :South East England Development Agency (SEEDA), Surrey TEC, and the consortium partners University of Surrey (UniS) and Royal Holloway University of London (RHUL)).

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.06	31.3.05
	£	£
Depreciation - owned assets	793	1,058
Auditors' remuneration	1,000	1,000
Pension costs	3,162	2,968
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	58,935	30,447
	<u> </u>	<u> </u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2006 nor for the year ended 31 March 2005.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2006

5. TANGIBLE FIXED ASSETS

	Office furniture £	Computer equipment £	Totals £
COST			
At 1 April 2005	1,253	2,807	4,060
Additions	-	2,293	2,293
	<hr/>	<hr/>	<hr/>
At 31 March 2006	1,253	5,100	6,353
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2005	369	2,358	2,727
Charge for year	125	668	793
	<hr/>	<hr/>	<hr/>
At 31 March 2006	494	3,026	3,520
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2006	759	2,074	2,833
	<hr/>	<hr/>	<hr/>
At 31 March 2005	884	449	1,333
	<hr/>	<hr/>	<hr/>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.06	31.3.05
	£	£
Trade debtors	51,558	12,024
VAT	1,384	-
Prepayments and accrued income	25,940	17,487
	<hr/>	<hr/>
	78,882	29,511
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.06	31.3.05
	£	£
Trade creditors	5,686	1,924
Social security and other taxes	-	1,435
Accruals and deferred income	10,842	1,660
	<hr/>	<hr/>
	16,528	5,019
	<hr/>	<hr/>

8. RESERVES

	Profit and loss account £
At 1 April 2005	103,088
Profit for the year	99,835
	<hr/>
At 31 March 2006	202,923
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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006****9. RELATED PARTY DISCLOSURES**

During the year, the company has made the following income/(expenditure) transactions with its members:

	UniS	RHUL	LFI
	£	£	£
2006			
Fees & services included in turnover	25,000	25,000	10,000
Grants received	0	0	0
Payroll payments	(79,214)	0	0
Equipment purchased	(1,758)	0	0
Other administrative expenses	(1,311)	0	0
	<u> </u>	<u> </u>	<u> </u>
2005			
Fees & services included in turnover	0	8,020	20,659
Grants received	25,000	25,000	0
Payroll payments	(26,454)	0	0
	<u> </u>	<u> </u>	<u> </u>

UniS processes the payroll for the company and makes the payments on its behalf but charges no fee for this service.

As at the year end the following balances were owed by/(to) its members:

	UniS	RHUL	LFI
	£	£	£
2006			
Debtors	14,687	7,344	2,937
Creditors	(4,178)	0	0
	<u> </u>	<u> </u>	<u> </u>
2005			
Debtors	0	1,770	10,031
Creditors	0	0	0
	<u> </u>	<u> </u>	<u> </u>

10. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

11. ULTIMATE CONTROLLING PARTY

The company is not under the control of any one individual or organisation. It was set up by the three consortium members, UniS, RHUL and LFI who were the subscribers to the initial memorandum. The company does not have a share capital, being limited by guarantee. In the event of the company being unable to pay its debts, each of these three members has undertaken to contribute an amount not exceeding £10 to the company assets.