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REGISTERED NUMBER: 4358728 (England and Wales)

Surrey Enterprise Hub Limited

Report of the Directors and

Financial Statements for the Year Ended 31 March 2007

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Surrey Enterprise Hub Limited

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for the Year Ended 31 March 2007

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Surrey Enterprise Hub Limited

Company Information
for the Year Ended 31 March 2007

DIRECTORS.

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

SECRETARY.

G J Sparks

REGISTERED OFFICE.

The White House
2 Meadow
Godalming
Surrey
GU7 3HN

REGISTERED NUMBER:

4358728 (England and Wales)

AUDITORS.

Hughes Waddell
Chartered Accountants
and Registered Auditors
The White House
2 Meadow
Godalming
Surrey
GU7 3HN

Surrey Enterprise Hub Limited

Chairman's Report for the Year Ended 31 March 2007

At the end of our fifth year of operation I am very happy to report a successful Surrey Enterprise Hub where, once again, all our performance criteria are either on or ahead of target

As ever this has been due to the excellent work put in by the whole team and led, up to Christmas 2006, by the founding Enterprise Hub Director, Marilyn Huckerby. We have an ongoing reputation as one of the most successful Enterprise Hubs in the region and therefore it is not surprising that SEEDA then invited Marilyn to become the first Director of the whole Enterprise Hub Network. Fortunately for us Marilyn's base remains in the Surrey Technology Centre in Guildford so she is still very closely involved with all of us - and indeed remains a director of the company.

So at the end of last year we went through a selection process for a new Hub Director and were delighted to appoint Mike Lunch to start from January 2007. Mike's background is both in large corporates (IBM, Toshiba) as well as running and spinning out small companies so he comes with an excellent pedigree for the job.

Although strictly after the period of these accounts, we also saw in early summer one of our Hub managers, Tanya Boardman, leave for sunny Hastings and we wish her well in her role in invigorating enterprise on the south coast. This led to the appointment of David Law as our first formal Portfolio Director and we share his time with supporting the members of SETSquared, the University of Surrey's incubator co-located in the Technology Centre with the Hub Director's office.

The other Hub manager, Joanne Jenkins, gives fantastic support to the Hub members located in the Royal Holloway Enterprise Centre as well as to the Hub as a whole. And ever alert Haley Dwyer, based in the Leatherhead Enterprise Centre, is always on the ball with the administration and marketing support activities despite the minor inconvenience this year of having a first baby.

During the year the Hub also employed Chris Budleigh on a part-time basis to give business planning support to our Portfolio companies. Business planning (especially financial planning) and investment readiness is something we need to focus more attention on in support of the Regional Economic Strategy targets for Global Competitiveness. The Enterprise Hubs are being encouraged to be very selective in the clients they can support and the need to assist them in becoming robust enough to raise the funds they require to address national and international markets.

The employed Hub team is supported as ever by a growing band of mentors all of whom were trained and gained experience as part of the European Social Fund and SEEDA funded Merlin mentoring scheme. Although that funded programme has now finished the mentors continue to give their time via the SEEDA Enterprise Hub Network mentoring programme managed for the network by Finance South East. Consequently we have a group of about twenty experienced business people who help our members each over a period of many months.

The funding for the Hub continues to be a mixture of a grant by SEEDA, direct support from our founding partners and some additional ad hoc funds such as the European Social Fund funded Transenterprise programme. This means we are able to provide clinics, workshops, direct advice, seminars etc to our members mostly free or at least subsidised. We get excellent feedback from our members about the quality of the help we give and I sincerely thank all our staff, mentors and other contributors who give so much towards the Hub's success.

I want to mention specifically the continuing support we receive from the founding partners, the University of Surrey with the Surrey Research Park in Guildford, Royal Holloway, University of London (RHUL) in Egham and Leatherhead Food International (LFI). These organisations not only help fund the Hub but provide facilities and resources in our joint aim to help Surrey's pioneering companies become successful sooner.

Along with those partners we have on our Board the Surrey Economic Partnership and Business Link Surrey who both bring a wealth of experience and useful guidance to our organisation. So I would like to thank all of those organisations for helping us help our members.

So now in our sixth year we approach the 2008 three year contract renewal with SEEDA with a good network, in good shape and, thanks to our wider team, in very good spirits. I look forward to a good year.

Nigel Biggs
Surrey Hub Champion
Chairman Surrey Enterprise Hub Limited

Surrey Enterprise Hub Limited

Report of the Directors **for the Year Ended 31 March 2007**

The directors present their report with the financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of 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 shown below have held office during the whole of the period from 1 April 2006 to the date of this report

R N Biggs
J D Bevington
R French
N J Horton-Baker
Mrs M K Huckerby
Dr M J Parry
K Robson

Other changes in directors holding office are as follows

T Greenwood - appointed 25 July 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). 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 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 2007

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 9/11/07

**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 2007 on pages seven to twelve. 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 whether in our opinion the information given in the Report of the Directors 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 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Hughes Waddell

Hughes Waddell
Chartered Accountants
and Registered Auditors
The White House
2 Meadow
Godalming
Surrey
GU7 3HN

Date 28 / 11 / 2007

Surrey Enterprise Hub Limited

Profit and Loss Account
for the Year Ended 31 March 2007

	Notes	31 3 07 £	31 3 06 £
TURNOVER		66,623	63,430
Administrative expenses		251,978	150,158
		(185,355)	(86,728)
Other operating income	2	235,398	184,253
OPERATING PROFIT	3	50,043	97,525
Interest receivable and similar income		3,938	2,310
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		53,981	99,835
Tax on profit on ordinary activities	4	348	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		53,633	99,835

The notes form part of these financial statements

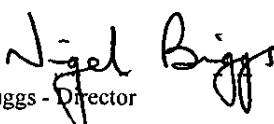
Surrey Enterprise Hub Limited

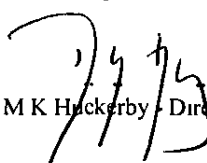
Balance Sheet
31 March 2007

	Notes	31 3 07 £	£	31 3 06 £	£
FIXED ASSETS					
Tangible assets	5		2,370		2,833
CURRENT ASSETS					
Debtors	6	147,026		78,882	
Cash at bank		128,738		137,736	
		275,764		216,618	
CREDITORS					
Amounts falling due within one year	7	21,578		16,528	
NET CURRENT ASSETS			254,186		200,090
TOTAL ASSETS LESS CURRENT LIABILITIES			256,556		202,923
RESERVES					
Profit and loss account	8		256,556		202,923
			256,556		202,923

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 9-11-2007 and were signed on its behalf by


R N Biggs - Director


Mrs M K Huckerby - Director

The notes form part of these financial statements

Surrey Enterprise Hub Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

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 from the South East England Development Agency (SEEDA) in both the current and previous years

3 OPERATING PROFIT

The operating profit is stated after charging

	31 3 07	31 3 06
	£	£
Depreciation - owned assets	864	793
Loss on disposal of fixed assets	210	-
Auditors' remuneration	1,000	1,000
Pension costs	3,993	3,162
	<u>61,035</u>	<u>58,935</u>
Directors' emoluments and other benefits etc	<u>61,035</u>	<u>58,935</u>

Surrey Enterprise Hub Limited**Notes to the Financial Statements - continued**
for the Year Ended 31 March 2007**4 TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	31 3 07 £	31 3 06 £
Current tax		
UK corporation tax	348	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	348	-
	<hr/>	<hr/>

UK corporation tax has been charged at 19%

5 TANGIBLE FIXED ASSETS

	Office furniture £	Computer equipment £	Totals £
COST			
At 1 April 2006	1,253	5,100	6,353
Additions	-	611	611
Disposals	(340)	(2,216)	(2,556)
	<hr/>	<hr/>	<hr/>
At 31 March 2007	913	3,495	4,408
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2006	494	3,026	3,520
Charge for year	91	773	864
Eliminated on disposal	(133)	(2,213)	(2,346)
	<hr/>	<hr/>	<hr/>
At 31 March 2007	452	1,586	2,038
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2007	461	1,909	2,370
	<hr/>	<hr/>	<hr/>
At 31 March 2006	759	2,074	2,833
	<hr/>	<hr/>	<hr/>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 07 £	31 3 06 £
Trade debtors	26,535	51,558
VAT	792	1,384
Prepayments and accrued income	119,699	25,940
	<hr/>	<hr/>
	147,026	78,882
	<hr/>	<hr/>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 07 £	31 3 06 £
Trade creditors	15,990	5,686
Corporation tax	348	-
Accruals and deferred income	5,240	10,842
	<hr/>	<hr/>
	21,578	16,528
	<hr/>	<hr/>

Surrey Enterprise Hub Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2007

8 RESERVES

	Profit and loss account £
At 1 April 2006	202,923
Profit for the year	53,633
At 31 March 2007	<u>256,556</u>

9 RELATED PARTY DISCLOSURES

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

	UniS	RHUL	LFI
	£	£	£
2007			
Fees & services included in turnover	25,000	25,000	10,000
Payroll payments	(31,251)	0	0
Other administrative expenses	(268)	0	0
	<u> </u>	<u> </u>	<u> </u>
2006			
Fees & services included in turnover	25,000	25,000	10,000
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>

UniS processed the payroll for the company for April 2006 only and made the payment on its behalf but charged no fee for this service

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

	UniS	RHUL	LFI
	£	£	£
2007			
Debtors	14,687	7,344	2,937
Creditors	0	0	0
	<u> </u>	<u> </u>	<u> </u>
2006			
Debtors	14,687	7,344	2,937
Creditors	(4,178)	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

Surrey Enterprise Hub Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2007

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.

Surrey Enterprise Hub Limited**Profit and Loss Account**
for the Year Ended 31 March 2007

	31 3 07		31 3 06	
	£	£	£	£
Turnover				
Incubator support fees	60,000		60,000	
Other support fees	6,623		3,430	
		66,623		63,430
Other income				
SEEDA grant	235,398		184,253	
Deposit account interest	3,938		2,310	
		239,336		186,563
		305,959		249,993
Expenditure				
Directors' salaries	57,042		55,773	
Directors' pension contributions	3,993		3,162	
Wages	83,273		38,785	
Staff development	782		1,444	
Travel & subsistence	8,955		3,412	
Insurance	1,876		1,835	
Secretarial & administrative costs	14,614		13,860	
Marketing costs - website	1,415		100	
Marketing costs - promotion, seminars & workshops	72,203		24,534	
Office expenses	3,798		4,264	
Legal & professional	565		15	
Auditors' remuneration	1,000		1,000	
Auditors' remuneration for non audit work	1,200		1,022	
Depreciation of tangible fixed assets				
Office furniture	91		125	
Computer equipment	773		668	
Profit/loss on sale of tangible fixed assets	210		-	
		251,790		149,999
		54,169		99,994
Finance costs				
Bank charges		188		159
NET PROFIT		53,981		99,835

This page does not form part of the statutory financial statements