

THE ROYAL SOCIETY ENTERPRISE FUND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 March 2009



The Royal Society Enterprise Fund Limited

Contents

Page

Directors, advisors and company details

1

Report of the directors

2-3

Independent auditors' report

4-5

Profit and loss account

6

Balance sheet

7

Notes to the financial statements

8-9

The Royal Society Enterprise Fund Limited

Directors, advisors and company details

Directors	Paul Beecroft	(appointed 22 Jan 2008)
	Christopher Brooke	(appointed 22 Jan 2008)
	Stephen Brooke	(appointed 22 Jan 2008)
	Ian Cooper	(appointed 22 Jan 2008)
	Stephen Cox	(appointed 22 Jan 2008)
	Anne Glover	(appointed 22 Jan 2008)
	Dr Andrew Mackintosh	(appointed 22 Jan 2008)
	Sir Peter Williams CBE	(appointed 22 Jan 2008)

Secretary	Robert Bryan	(appointed 22 Jan 2008)
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Auditors	PKF (UK) LLP Farringdon Place Farringdon Road London EC1M 3AP
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Registered Office	6-9 Carlton House Terrace London SW1Y 5AG
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Registered No.	06480372
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The Royal Society Enterprise Fund Limited

Report of the Directors for the period ended 31 March 2009

Principal activities

The company is a wholly owned subsidiary of The Royal Society, a Royal Charter body and a registered charity (charity number 207043). The company was incorporated on 22 January 2008 and commenced trading on 1 April 2008.

The company's principal activity is providing advice to the Society in its application of the Enterprise Fund.

Principal risks and uncertainties

The company at present does not consider that it has any major risks or uncertainties and is confident that it has arrangements in place that enable it to meet all its liabilities as they fall due. At 31 March 2009, there were no liabilities being carried within these financial statements.

Results

The Royal Society Enterprise Fund Limited was launched in 2008 to provide advice and support to the Royal Society on making equity investments in early-stage technology companies emerging from the science base. Costs have been incurred over the past year in internal (staff and other) and external costs in setting up the Company, administration and legal structure, promotion of the Enterprise Fund's activities, fundraising and other associated activities.

Directors

The directors who served throughout the period are set out on page 1.

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Royal Society Enterprise Fund Limited

Report of the Directors for the period ended 31 March 2009

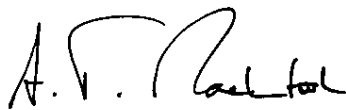
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each of the directors is aware at the time this report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 11 November 2009 and signed on its behalf.



.....
Andrew Mackintosh
Director

Independent Auditors' Report to the Members of The Royal Society Enterprise Fund Limited

We have audited the financial statements of The Royal Society Enterprise Fund Limited for the period ended 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. The 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 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 ('United Kingdom Generally Accepted Accounting Practice') 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 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 have been 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 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 The Royal Society Enterprise Fund Limited (continued..)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its results for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Perfected

PKF (UK) LLP

Registered Auditors

London, UK

Date: 2009 , 13 November

The Royal Society Enterprise Fund Limited

Profit and Loss Account for the period ended 31 March 2009

	Notes	14 months ended 31 March 2009 £
Turnover	2	297,986
Cost of sales		<u>(297,986)</u>
Gross profit		-
Administrative expenses		-
Profit on ordinary activities before taxation		-
Tax on profit on ordinary activities		-
Retained profit for the year after taxation		<u>-</u>

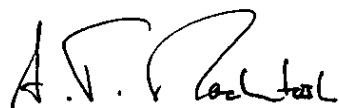
The company has no recognised gains or losses other than those dealt with in the profit and loss account for the period. All of the above relates to continuing activities.

The notes on pages 8 to 9 form part of these financial statements.

The Royal Society Enterprise Fund Limited
Company No. 06480372
Balance Sheet as at 31 March 2009

	Notes	2009 £
Current assets		
Debtors	4	<u>1</u>
Net current assets		<u>1</u>
Net assets		<u>1</u>
<hr/>		
Capital and reserves		
Called up share capital	7	<u>1</u>
Profit and loss account	8	<u>-</u>
Shareholders' funds		<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 November 2009.



.....
Andrew Mackintosh
Director

The notes on pages 8 to 9 form part of these financial statements.

The Royal Society Enterprise Fund Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2009

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice.

Turnover

Turnover represents revenue recognised by the company in respect of services supplied, excluding Value Added Tax.

2 Turnover

Turnover is attributable to the company's principal activity and arose entirely from within the United Kingdom.

3 Profit on ordinary activities before taxation

Profit/(loss) on ordinary activities is stated after charging:

	2009 £
Directors' Remuneration	135,347

The audit fee chargeable for the period to 31 March 2009 is £1,000.

4 Debtors

	2009 £
Amounts due from The Royal Society	<u>1</u>

5 Directors and employees

Aggregate payroll costs were as follows:

	2009 £
Wages and salaries	120,683
Social security costs	<u>14,664</u>
	135,347

The Royal Society Enterprise Fund Limited

Notes to the Financial Statements for the period ended 31 March 2009

6 Directors' emoluments

**2009
£**

Fees

135,347

There were no pension payments

7 Called up share capital

**2009
£**

Authorised, issued and fully paid
1 ordinary share of £1

1

8 Profit and Loss Account

**2009
£**

Result for the period and retained profit at 31 March 2009

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9 Ultimate parent and related parties

The ultimate parent undertaking is The Royal Society, a Royal Charter body and registered charity (No. 207043), which is controlled through its Council. Published accounts for The Royal Society are available from The Royal Society, 6-9 Carlton House Terrace, London, SW1Y 5AG.

As a wholly owned subsidiary, the company is exempt under Financial Reporting Standard No.8 from disclosing transactions and balances with its parent undertaking and controlling party, The Royal Society.