

THE ROYAL SOCIETY ENTERPRISE FUND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 March 2010



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
Christopher Brooke
Stephen Brooke
Ian Cooper
Stephen Cox
Anne Glover
Dr Andrew Mackintosh
Sir Peter Williams CBE

Secretary Robert Bryan

Auditors PKF (UK) LLP
Farringdon Place
Farringdon Road
London
EC1M 3AP

Registered Office 6-9 Carlton House Terrace
London
SW1Y 5AG

Registered No. 06480372

The Royal Society Enterprise Fund Limited

Report of the Directors for the year ended 31 March 2010

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 2010, 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 year are set out on page 1.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) . Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year. 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

The Royal Society Enterprise Fund Limited

Report of the Directors for the year ended 31 March 2010

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 14th October 2010 and signed on its behalf.



.....
Andrew Mackintosh
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENTERPRISE FUND LIMITED

We have audited the financial statements of Enterprise Fund Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENTERPRISE FUND LIMITED
(Continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Charles Cox (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
London

140000 2010

The Royal Society Enterprise Fund Limited

Profit and Loss Account for the year ended 31 March 2010

	Notes	12 months ended 31 March 2010 £	14 months ended 31 March 2009 £
Turnover	2	394,523	297,986
Cost of sales		<u>(394,523)</u>	<u>(397,986)</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>	<u>-</u>


The company has no recognised gains or losses other than those dealt with in the profit and loss account for the year. 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 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	4	1	1
Net current assets		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	<u>-</u>	<u>-</u>
Shareholders' funds		<u>1</u>	<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14th October 2010.



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 YEAR ENDED 31 MARCH 2010

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:

	2010 £	2009 £
Directors' Remuneration	139,121	135,347

The audit fee chargeable for the year to 31 March 2010 is
£2,500

4 Debtors

	2010 £	2009 £
Amounts due from The Royal Society	1	1

5 Directors and employees

Aggregate payroll costs were as follows:

	2010 £	2009 £
Wages and salaries	153,506	120,683
Social security costs	17,420	14,664
Pension costs	5,168	-
	<u>176,094</u>	<u>135,347</u>

The Royal Society Enterprise Fund Limited

Notes to the Financial Statements for the year ended 31 March 2010

6 Directors' emoluments

	2010 £	2009 £
Fees	139,121	135,347
Other emoluments	2,638	-
	<u>141,759</u>	<u>135,347</u>

There were no pension payments

7 Called up share capital

	2010 £	2009 £
Authorised, issued and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

8 Profit and Loss Account

	2010 £	2009 £
Result for the year and retained profit at 31 March 2010	<u>-</u>	<u>-</u>

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