

THE ROYAL SOCIETY ENTERPRISE FUND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 March 2014

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The Royal Society Enterprise Fund Limited

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The Royal Society Enterprise Fund Limited

Directors, advisors and company details

Directors Paul Beecroft
Stephen Brooke
Anthony Cheetham
Anne Glover
Dr Andrew Mackintosh (until 28.03.14)

Secretary Andrew Hibbert

Auditor Deloitte LLP
Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

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 2014

Directors' report

The Directors present their Report and the Financial Statements of the company for the period ended 31 March 2014.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

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 was providing advice to the Society in its application of the Enterprise Fund. As at 31 March 2014, the management of the Enterprise Fund is being carried out by the Royal Society and the Directors do not expect the company to undertake any transactions during the next financial year. As a result, these financial statements have been prepared on a basis other than that of going concern, with all assets being held at their net realisable value.

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 2014, there were no liabilities being carried within these financial statements. Both employees of the Enterprise Fund Ltd left the company during the financial year and the company is in the process of being wound up.

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 relating to staff, administration and legal structure, promotion of the Enterprise Fund's activities, fundraising and other associated activities. The company's received consultancy income from The Royal Society for the provision of advice in its application of the Enterprise Fund.

Directors

The directors who served throughout the year and to date 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;

The Royal Society Enterprise Fund Limited

Report of the Directors for the year ended 31 March 2014

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (see note 1);
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosure and explained in the financial statements.

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.

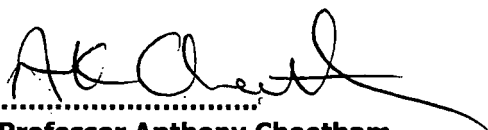
Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

This report was approved by the board on

2014 and signed on its behalf.



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Professor Anthony Cheetham
Treasurer

The Royal Society Enterprise Fund Limited

INDEPENDENT AUDITOR'S 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 year ended 31 March 2014 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 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

As explained more fully in the statement of directors' responsibilities, 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 and express an opinion on 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 of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

The Royal Society Enterprise Fund Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL SOCIETY ENTERPRISE FUND LIMITED (CONTINUED)

Opinion on other matters 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.

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 entitled to take advantage of the small companies exemption in preparing a strategic report or in preparing the directors' report.



Andrew Hornby (senior statutory auditor)
For and on behalf of Deloitte LLP, statutory auditor
London, United Kingdom
Date

02 July 2014

Deloitte LLP is a limited liability partnership registered in England and Wales (with registered number OC303675).

The Royal Society Enterprise Fund Limited

Profit and Loss Account for the year ended 31 March 2014

	Notes	31 March 2014 £	31 March 2013 £
Turnover	2	1,039,395	496,350
Cost of sales		<u>(1,039,395)</u>	<u>(496,350)</u>
Gross profit		-	-
Administrative expenses		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Retained profit for the year after taxation		-	-

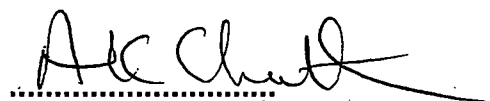
The company has no recognised gains or losses other than those dealt with in the profit and loss account for the year. All of the above relates to discontinued activities.

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 2014

	Notes	2014 £	2013 £
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 2nd July 2014.



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Professor Anthony Cheetham
Treasurer

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 2014

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.

Cash flow Statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and its parent undertaking's accounts include a consolidated cash flow statement.

Going concern

As explained more fully in the Directors Report, the current year financial statements have been prepared on a basis other than that of a going concern as the company is in the process of being wound up, with all assets being held at their net realisable value. During the preceding year the financial statements were prepared on a going concern basis.

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:

	2014 £	2013 £
Directors' Remuneration	431,516	159,744

The audit fee chargeable for the years to 31 March 2014 and 31 March 2013 were borne by The Royal Society

4 Debtors

	2014 £	2013 £
Amounts due from The Royal Society	1	1

The Royal Society Enterprise Fund Limited

Notes to the Financial Statements for the year ended 31 March 2014

5 Directors and employees

Aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	406,095	209,744
Redundancy	104,827	-
Social security costs	56,223	25,706
Pension costs	7,327	8,244
	<u>574,472</u>	<u>243,694</u>

6 Directors' emoluments

	2014 £	2013 £
Fees	353,514	159,744
Compensation for loss of office	78,002	-
Other emoluments	2,578	7,726
	<u>434,094</u>	<u>167,470</u>

There were no pension payments
Other emoluments represent travel, subsistence and entertaining costs incurred directly in the course of the Directors' work.

7 Called up share capital

	2014 £	2013 £
Authorised, issued and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

8 Profit and Loss Account

	2014 £	2013 £
Result for the year and retained profit at 31 March 2014	<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.

The Company has taken advantage of the exemptions allowed by FRS 8, not to disclose the transactions with other members of the group on the grounds that 100% of the voting rights are controlled within the group.