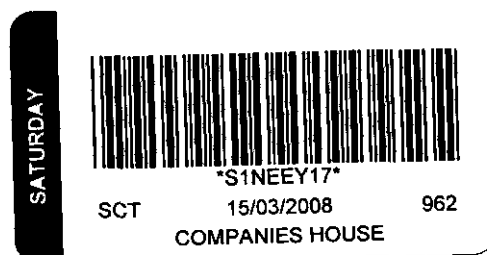


Aberdeen University Research and Industrial Services Limited

Directors' Report and Financial Statements

For the year ended 31 July 2007

Registered Number: SC075913



Aberdeen University Research and Industrial Services Limited

Directors' report and financial statements for the year ended 31 July 2007

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Aberdeen University Research and Industrial Services Limited

Directors and Advisors for the year ended 31 July 2007

Directors: Irene Bews
Professor D Houlihan
Professor S D Logan
Dr E A Rattray
Mr F G Stevenson Robb

**Secretary and
Registered Office:** McGrigors
Johnston House
52 54 Rose Street
ABERDEEN
AB10 1HA

Auditors: PricewaterhouseCoopers LLP
32 Albyn Place
ABERDEEN
AB10 1YL

Bankers: Bank of Scotland plc

Aberdeen University Research and Industrial Services Limited

Directors' Report for the year ended 31 July 2007

The directors present their report and audited financial statements for the year ended 31 July 2007

Directors

The present directors and changes in directors up to the date of this report are shown on page 2

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

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

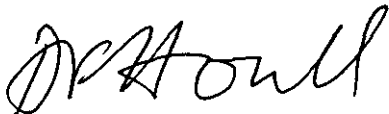
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps that they ought to have taken in their duty as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD,



Professor D Houlihan
Chairman

Aberdeen University Research and Industrial Services Limited

Independent auditors' report to the members of Aberdeen University Research and Industrial Services Limited

We have audited the financial statements of Aberdeen University Research and Industrial Services Limited for the year ended 31 July 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Director's 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 Director's 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 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.

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 July 2007 and of its loss 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 Director's Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Aberdeen

23 November 2007

Aberdeen University Research and Industrial Services Limited

Profit & Loss Account for the year ended 31 July 2007

	Note	2007 £	2006 £
Administrative expenses		(11,744)	(16,576)
Exceptional item bad debt write off	2	(17,400)	
Operating Loss	3	<u>(29,144)</u>	<u>(16,576)</u>
Interest receivable		1,695	2,213
Interest payable			
Loss on ordinary activities before taxation		<u>(27,449)</u>	<u>(14,363)</u>
Tax on loss on ordinary activities	5		
Loss for the financial year after taxation	11	<u><u>(27,449)</u></u>	<u><u>(14,363)</u></u>

The results set out above relate to continuing operations. The company has no recognised gains or losses other than those included in the losses above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before tax and the loss for the financial year stated above and their historical cost equivalents.

Aberdeen University Research and Industrial Services Limited

Balance Sheet as at 31 July 2007

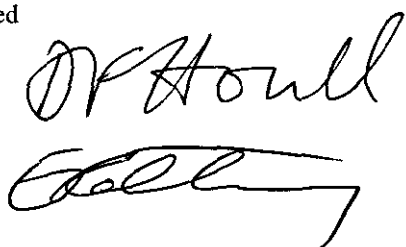
	Note	2007 £	2006 £
Fixed Assets			
Investments	6	81,986	84,806
Current Assets			
Debtors	7	47,363	64,178
Cash at Bank and in hand		<u>56,875</u>	<u>64,342</u>
		104,238	128,520
Creditors: amounts falling due within one year	8	(6,465)	(6,118)
Net current assets		<u>97,773</u>	<u>122,402</u>
Total assets less current liabilities		179,759	207,208
Creditors: amounts falling due after one year	8		
Net assets		<u>179,759</u>	<u>207,208</u>
Capital and reserves			
Called up share capital	10	675,046	675,046
Profit and loss account deficit	11	(495,287)	(467,838)
Equity shareholder's funds		<u>179,759</u>	<u>207,208</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The accounts set out in pages 5 to 9 were approved by the Directors on

19 November 2007

Signed



Aberdeen University Research and Industrial Services Limited

1 Accounting Policies

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting standards, that have been applied consistently, are set out below.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Group Financial Statements

The company is exempt from preparing consolidated financial statements in accordance with section 228 of the Companies Act 1985. The financial statements of the company are included within the consolidated financial statements of its ultimate parent undertaking, University of Aberdeen.

Cash Flow Statement

The company is a wholly owned subsidiary of the University of Aberdeen as the cash flows of the company are included within the consolidated cash flow statement of the University of Aberdeen. Consequently, the company is exempt from publishing a cash flow statement.

Turnover

Turnover represents the invoiced amount of sales made and services provided to customers, net of Value Added Tax.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

2. Exceptional Item – bad debt write off

During the year the Company wrote down a balance due from Abergene Limited, its subsidiary undertaking, to the expected recoverable amount.

3. Operating loss including exceptional item

	2006	2005
Operating loss is stated after charging	£	£
Auditors remuneration – audit services	3,056	1,526

4. Director's Emoluments

None of the directors received or waived any remuneration in the year (2006 £nil).

Aberdeen University Research and Industrial Services Limited

5. Tax on loss on ordinary activities	2006 £	2005 £
Current taxation		
UK Corporation tax on loss for the year		
Tax on loss on ordinary activities		
Loss on ordinary activities before taxation	(27,449)	(14,363)
Loss on ordinary activities multiplied by standard rate of tax in the UK 30% (2006 30%)	(8,235)	(4,309)
Effects of unprovided deferred tax losses	8,235	4,309
Current tax charge for the year		

6. Investments	£
Cost	
As at 1 August 2006	164,806
Disposals	(2,820)
As at 31 July 2007	161,986
Provisions	
As at 1 August 2006 and 31 July 2007	80,000
Net book amount	
At 31 July 2007	81,986
As at 31 July 2006	84,806

During the year Company sold its investment in New Era to the University of Aberdeen for £2,820 No gain or loss on disposal arose

7. Debtors	2007 £	2006 £
Debtors	47,363	64,178
8. Creditors	2007 £	2006 £
Amounts falling due within one year		
Other Creditors	6,465	6,118

9. Provision for Liabilities and Charges

Deferred taxation

The accountancy policy for deferred taxation is explained in note 1. No provision for deferred taxation has been reflected in the financial statements as there is no potential liability.

10. Share Capital	2007	2006
	£	£
Authorised. 1,000,000 Ordinary Shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid. 675,046 Ordinary Shares of £1 each	675,046	675,046

11. Profit & Loss Account

	£
At 1 August 2006	(467,838)
Loss for the financial year	(27,449)
At 31 July 2007	<u>(495,287)</u>

12. Reconciliation of Movements Shareholders' Funds	2007	2006
	£	£
Opening Shareholders' funds	207,208	221,571
Loss for the financial year	(27,449)	(14,363)
Closing Shareholders' funds	<u>179,759</u>	<u>207,208</u>

13. Ultimate Parent Undertaking

The ultimate parent body and controlling party is the University of Aberdeen, Kings College, Aberdeen, Scotland AB23 3FX. Copies of the University's consolidated financial statements can be obtained from the above address.

14. Related Party Transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8, not to disclose any transactions with entities that are part of the group which qualify as related parties, on the grounds that it is a subsidiary where 90% or more of its voting rights are controlled within the group, and the consolidated statements of the University of Aberdeen are publicly available.

Aberdeen University Research and Industrial Services Limited

The following financial information does not form part of the financial statements

Detailed Profit & Loss Account for the year ended 31 July 2007	2007	2006
	£	£
Sales		
Cost of Sales		
Gross Profit		
Administrative Expenses		
Chairman's Salary		
Printing, Postage & Stationery		
Travel		
Professional Fees		
IT Services & Consumables		
General Expenses		
Legal Fees	(2,611)	(8,515)
Audit & Accounting Fees	(9,129)	(8,053)
Bad Debts		
Bank Charges	(4)	(8)
	<u>(11,744)</u>	<u>(16,576)</u>
Exceptional Item		
Write off of Loan to Subsidiary	(17,400)	
	<u>(17,400)</u>	
Operating Loss	<u>(29,144)</u>	<u>(16,576)</u>