

Aberdeen University Research and Industrial Services Limited

Director's Report and Financial Statements

For the year ended 31 July 2003

Registered Number: 75913



Aberdeen University Research and Industrial Services Limited

Director's report and financial statements for the year ended 31 July 2003

Contents

Directors and Advisors for the year ended 31 July 2003	1
Directors' Report for the year ended 31 July 2003	2
Auditor's Report to the members of Aberdeen University Research & Industrial Services Ltd	3
Profit & Loss Account for the year ended 31 July 2003	4
Balance Sheet as at 31 July 2003	5
Notes to the financial statements for the year ended 31 July 2003	6

Aberdeen University Research and Industrial Services Limited

Directors and Advisors for the year ended 31 July 2003

Directors: Irene Bews
Professor D Houlihan
Professor S D Logan
Mr F G Stevenson Robb
Dr E A Rattray
Mr R Taylor (resigned 1 October 2002)

Secretary: Ledingham Chalmers
Mr R Taylor (resigned 1 October 2002)

**Secretary and
Registered Office:** Ledingham Chalmers
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 2003

The directors present their report and audited financial statements for the year ended 31 July 2003.

Directors

The present directors and changes in directors up to the date of this report are shown on page 1. None of the directors has any interest in the issued share capital of either the company or its parent undertaking.

Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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.

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

 27/08/04

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 on pages 4 to 8 which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 225 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 in 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Aberdeen

27 August 2004

Aberdeen University Research and Industrial Services Limited

Profit & Loss Account for the year ended 31 July 2003

	Note	2003 £	2002 £
Turnover		11,097	-
Cost of sales		-	-
Gross Profit		11,097	-
Administrative expenses		(65,017)	8,577
Exceptional item - additional VAT liability	2	-	(7,473)
Exceptional item - bad debt provision		46,306	(46,306)
Operating Loss	2	(7,614)	(45,202)
Interest receivable		5,537	2,421
Interest payable		(523)	(10,118)
Loss on ordinary activities before taxation		(2,600)	(52,899)
Tax on loss on ordinary activities		-	-
Loss for the financial year after taxation	9	(2,600)	(52,899)

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 2003

	Note	2003 £	2002 £
Fixed Assets			
Investments	4	63,255	63,850
Current Assets			
Debtors	5	11,750	12,878
Cash at Bank and in hand		<u>193,575</u>	<u>287,736</u>
		205,325	300,614
Creditors: amounts falling due within one year	6	(5,619)	(98,903)
Net current assets		<u>199,706</u>	<u>201,711</u>
Total assets less current liabilities		262,961	265,561
Creditors: amounts falling due after one year	6	(85,000)	(85,000)
Net assets		<u>177,961</u>	<u>180,561</u>
Capital and reserves			
Called up share capital	8	600,000	600,000
Profit and loss account - deficit	9	(422,039)	(419,439)
Equity shareholder's funds		<u>177,961</u>	<u>180,561</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 4 to 8 were approved by the Directors on

Signed:

27 August 2004

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. The principal accounting standards 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. Operating loss including exceptional item

	2003	2002
Operating loss is stated after charging	£	£
Depreciation	-	15,000
Auditors Remuneration	2,000	6,500
Provision for losses in subsidiary (Aubec R & D Ltd)	-	265
Exceptional item - additional VAT liability	-	7,473
Exceptional item - provision for bad debts	-	46,306
And after crediting		
Gain on sale of heritable property	-	13,281

The exceptional additional VAT liability resulted from members of the VAT group treating certain income as exempt rather than taxable. This liability has been included within Other Tax and Social Security in note 7.

3. Director's Emoluments

	£	£
Aggregate emoluments	2,331	10,833
	<u>2,331</u>	<u>10,833</u>

4. Investments

	£
Cost	
As at 1 August 2002	143,850
Additions during the year	195
Disposals during year	(790)
At 31 July 2003	<u>143,255</u>
Provisions	
As at 1 August 2002 and 31 July 2003	<u>80,000</u>
Net book amount	
At 31 July 2003	<u>63,255</u>
At 31 July 2002	<u>63,850</u>

5. Debtors

	2003	2002
	£	£
Other Debtors	-	2,215
Amounts owed by group undertakings	<u>11,750</u>	<u>10,663</u>
	<u>11,750</u>	<u>12,878</u>

6. Creditors

	2003	2002
	£	£
Amounts falling due within one year		
Trade Creditors	2,645	9,749
Other Creditors	2,000	16,350
Other Taxation & Social Security	974	71,697
Amounts owed to associate companies	<u>-</u>	<u>1,107</u>
	<u>5,619</u>	<u>98,903</u>
Amounts falling due after more than one year:		
Loan from University of Aberdeen	85,000	85,000
Maturity of Loans		
Outwith five years	85,000	85,000

7. 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.

Aberdeen University Research and Industrial Services Limited

8. Share Capital	2003	2002
	£	£
Authorised: Ordinary Shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid: Ordinary Shares of £1 each	600,000	600,000

9. Profit & Loss Account

	£
At 1 August 2002	(419,439)
Loss for the financial year	(2,600)
At 31 July 2003	<u>(422,039)</u>

10. Reconciliation of Movements Shareholders' Funds

	2003	2002
	£	£
Opening Shareholders' funds	180,561	233,460
Loss for the financial year	(2,600)	(52,899)
Closing Shareholders' funds	<u>177,961</u>	<u>180,561</u>

11. Ultimate Parent Undertaking

The company's ultimate parent undertaking and controlling party is the University of Aberdeen, Regent Walk, Aberdeen, Scotland. Copies of the University's annual accounts can be obtained from the above address.

12. 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 2003	2003	2002
	£	£
Sales	11,097	-
Cost of Sales	-	-
Gross Profit/(Loss)	11,097	-
Property Revenue	-	53,936
Service Charges	-	29,072
Gain on Sale of Heritable Property	-	13,281
	<u>11,097</u>	<u>96,289</u>
Administrative Expenses		
Chairman's Salary	2,331	10,833
Other Salaries	-	3,830
Printing, Postage & Stationery	48	647
Travel	12	246
Telephone	93	296
Depreciation	-	15,000
Loss on Sale of Plant & Equipment	-	2,890
Consultancy	-	-
IT Services & Consumables	375	322
Heat & Light	-	13,589
General Expenses	2,354	907
Legal Fees	9,598	15
Audit & Accounting Fees	3,380	34,735
Insurance	-	4,126
Bad Debts	46,306	46,318
Bank Charges	520	-
Provision for Losses in AUBEC	-	265
	<u>65,107</u>	<u>134,019</u>
Exceptional Item		
Write back of Bad Debt Provision	(46,306)	-
Additional VAT Liability	-	7,473
	<u>18,711</u>	<u>141,492</u>
Operating Loss	<u>(7,614)</u>	<u>(45,202)</u>