

SGBS Limited

Report and Financial Statements

31 July 2006

Registered Number 123754

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COMPANIES HOUSE

SGBS Limited

Registered No 123754

Directors

Professor Jim Love (Chairman)
Professor Colin I den
Dr Peter West
Mr T J Monaghan

Secretary

Mr John Rinkes

Auditor

Ernst & Young LLP
George House
50 George Square
Glasgow
G2 1RR

Solicitors

Macdonalds
1 Claremont Terrace
Glasgow
G3 7UQ

Registered office

McCance Building
16 Richmond Street
Glasgow
G1 2XQ

Directors' report

The directors present their report and financial statements for the year ended 31 July 2006

Review of business

The company did not trade during the year. Any administrative costs were borne by the University of Strathclyde.

Directors

The directors of the company during the year were as follows:

Professor Jim Love
Professor Colin Eden
Dr Peter West
Mr T J Monaghan

Directors' interest in shares of the company

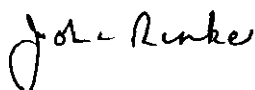
No director had any beneficial interest in the shares of the company during the year.

Director's statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Secretary

11 DECEMBER 2006

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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, and
- 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

Independent auditors' report

to the members of SGBS Limited

We have audited the company's financial statements for the year ended 31 July 2006 which comprise the Profit and Loss Account and the Balance Sheet, and the related notes 1 to 5. These 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the Financial Statements.

We also 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.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 July 2006,
- 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.


Ernst & Young LLP

Registered Auditor

Glasgow

13 December 2006

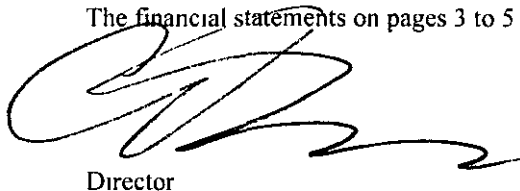
Balance sheet

at 31 July 2006

	Notes	2006 £000	2005 £000
Current assets			
Debtors	2	116	116
Cash at bank and in hand		6	6
		<u>122</u>	<u>122</u>
Creditors amounts falling due after more than one year	3	(10,713)	(10,713)
Net liabilities		<u>(10,591)</u>	<u>(10,591)</u>
Capital and reserves			
Called up share capital	4	1	1
Profit and loss account		(10,592)	(10,592)
Equity shareholders' funds		<u>(10,591)</u>	<u>(10,591)</u>

The company did not trade during the year and did not enter into any other form of activity. Consequently there have been no recognised gains or losses incurred during the year and no reconciliation of reported results to historical cost results is required. There has been no movement in shareholders' funds during the year ended 31 July 2006.

The financial statements on pages 3 to 5 were approved by the director on 11 12 2006



Director

Notes to the financial statements

at 31 July 2006

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The company has not traded during the year

Fundamental Accounting Concept

The University of Strathclyde has confirmed it will not seek to recover amounts due from the company for at least 12 months

2. Debtors

	2006 £000	2005 £000
Amounts falling due within one year		
Amount due from the University of Strathclyde	116	116

3. Creditors: amounts falling due after more than one year

	2006 £000	2005 £000
Amounts due to the University of Strathclyde	10,713	10,713

Although the amount due to the University of Strathclyde is repayable on demand, the University has confirmed it will not request repayment within the next 12 months

4. Called up share capital

	2006 £000	2005 £000
Authorised 1,000 ordinary shares of £1 each	1	1
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	1	1

5 Parent body

The company is wholly owned by the University of Strathclyde