

Aberdeen University Research and Industrial
Services Limited

Directors' report and financial statements
for the year ended 31 July 2002

Registered Number 75913



Aberdeen University Research and Industrial Services Limited

Directors' report and financial statements for the year ended 31 July 2002

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Aberdeen University Research and Industrial Services Limited

Directors and Advisors for the year ended 31 July 2002

Directors:	Irene Bews	(appointed 10 October 2002)
	Professor D Houlition	(appointed 1 October 2002)
	Mr S D Logan	(appointed 1 October 2002)
	Mr F G Stevenson-Robb	(appointed 10 October 2002)
	Ms E A Rattray	(appointed 1 October 2002)
	Dr A W Alexander	(resigned 1 August 2001)
	Mr R Duncan	(resigned 27 November 2001)
	Professor A R Forrester	(resigned 1 October 2002)
	Mr E A Gillespie	(resigned 2 November 2001)
	Ms A Harper	(resigned 1 October 2002)
	Professor R Harrison	(resigned 2 November 2001)
	Mr T Kidner	(resigned 1 October 2002)
	Professor I Macdonald	(resigned 1 August 2001)
	Mr M Ord	(resigned 31 July 2001)
	Professor J I Prosser	(resigned 1 October 2002)
	Mr R Taylor	(appointed 1 August 2001, resigned 1 October 2002)

Secretary	Ledingham Chalmers	(appointed 1 October 2002)
	Dr A W Alexander	(resigned 1 August 2001)
	Mr R Taylor	(appointed 1 August 2001, resigned 1 October 2002)

Secretary and Registered office:	Ledingham Chalmers Johnston House 52-54 Rose Street ABERDEEN AB10 1HA
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Auditors:	PricewaterhouseCoopers 32 Albyn Place Aberdeen AB10 1YL
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Bankers:	Clydesdale Bank plc
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Aberdeen University Research and Industrial Services Limited

Directors' report for the year ended 31 July 2002

The directors present their report and the audited financial statements for the year ended 31 July 2002.

Activities

Aberdeen University Research and Industrial Services Limited ("AURIS") is the holding company for the University of Aberdeen's commercial interests. It is the intention of the directors to continue to manage the business as an investment company only.

AURIS holds investments in companies which provide services in petroleum economics and benchmarking, microbial analysis, patent depository, culture sales and biomedical devices. Details of the company's principal investments are set out in note 5. The co-ordination of University consultancy and supporting University academics to win research income was provided by the Company until 31 October 1999.

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 year. 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;
- 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.

By order of the Board


Secretary

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 12.

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, 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 to 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 United Kingdom Companies Act. 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.

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 at 31 July 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Aberdeen,

Aberdeen University Research and Industrial Services Limited

Profit and loss account for the year ended 31 July 2002

	Note	2002 £	2001 £
Turnover		-	10,837
Cost of sales		-	(38,029)
Gross loss		-	(27,192)
Administrative expenses		8,577	(281)
Exceptional item – additional VAT liability	2	(7,473)	(56,000)
Exceptional item – bad debt provision	2	(46,306)	(79,945)
Operating loss	2	(45,202)	(163,418)
Interest receivable		2,421	2,458
Amounts written off investments		-	(15,002)
Interest payable		(10,118)	(12,010)
Loss on ordinary activities before taxation		(52,899)	(187,972)
Tax on loss on ordinary activities		-	(422)
Loss for the financial year after taxation	10	(52,899)	(188,394)

All activities relate to continuing operations.

Statement of total recognised gains and losses

	2002 £	2001 £
Loss for the financial year	(52,899)	(188,394)
Revaluation adjustment	-	(183,000)
Total losses recognised since last annual report	(52,899)	(371,394)

Note of historical cost profits and losses

Reported loss on ordinary activities before taxation	(52,899)	(187,972)
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	-	9,308
Historical cost (loss)/profit on ordinary activities before taxation	(52,899)	(178,664)
Historical cost (loss)/profit for the year retained after taxation	(52,899)	(179,086)

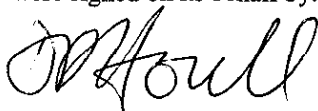
Aberdeen University Research and Industrial Services Limited

Balance sheet as at 31 July 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed Assets					
Tangible assets	4		-		503,890
Investments	5		63,850		3,850
			63,850		507,740
Current assets					
Debtors	6	12,878		44,753	
Cash at bank and in hand		287,736		71,859	
		300,614		116,612	
Creditors: amounts falling due within one year	7	(98,903)		(265,352)	
Net current assets/(liabilities)			201,711		(148,740)
Total assets less current liabilities			265,561		359,000
Creditors : amounts falling due after more than one year	7		(85,000)		(125,540)
Net assets			180,561		233,460
Capital and reserves					
Called up share capital	9		600,000		600,000
Revaluation reserve	10		-		137,456
Profit and loss account	10		(419,439)		(503,996)
Equity shareholders' funds			180,561		233,460

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

These financial statements on pages 4 to 12 were approved by the board of directors on 5 February 2003 and were signed on its behalf by:



Director:



Director:

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements for the year ended 31 July 2002

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). Heritable land and buildings are stated at revalued amounts; all other items are stated in the accounts under the historical cost accounting rules.

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 and the cash flows of the company are included in the consolidated cash flow statements 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.

Depreciation

No depreciation is provided on heritable land. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation of each fixed asset evenly over its estimated useful life as follows:

Heritable buildings - 25 years

Plant and equipment - 3 to 7 years

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.

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2002 (continued)

2. Operating loss including exceptional item

	2002 £	2001 £
Operating loss is stated after charging:		
Depreciation	15,000	24,297
Auditors' remuneration	6,500	7,000
Provision for losses in subsidiary (Aubec R&D Ltd)	265	17,536
Operating lease rentals - plant and machinery	-	26
Exceptional item – additional VAT liability	7,473	56,000
Exceptional item – provision for bad debts	46,306	79,945
And after crediting:		
Gain on sale of heritable property	13,281	-
Gain on sale of investments	-	(8,070)

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. Directors' emoluments

	2002 £	2001 £
Aggregate emoluments	10,833	13,725
Company pension contributions to defined contribution scheme	-	1,658
	10,833	15,383

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements

For the year ended 31 July 2002 (continued)

4. Tangible fixed assets

	Heritable Land and Buildings	Plant and Equipment	Total
	£	£	£
Company			
Cost or valuation			
At 1 August 2001	500,000	61,884	561,884
Disposals	(500,000)	(61,884)	(561,884)
At 31 July 2002	-	-	-
Depreciation			
At 1 August 2001	-	57,994	57,994
Charge for the year	15,000	-	15,000
Disposals	(15,000)	(57,994)	(72,994)
At 31 July 2002	-	-	-
Net book value			
At 31 July 2002	-	-	-
At 31 July 2001	500,000	3,890	503,890

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2002 (continued)

5. Investments

	Subsidiary undertakings £	Other unlisted investments £	Total £
Cost			
At 1 August 2001	2	18,850	18,852
Additions	-	125,000	125,000
At 31 July 2002	2	143,850	143,852
Provisions			
At 1 August 2001	2	15,000	15,002
Amounts provided	-	65,000	65,000
At 31 July 2002	2	80,000	80,002
Net book value			
At 31 July 2002	-	63,850	63,850
At 31 July 2001	-	3,850	3,850

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2002 (continued)

Interests in group undertakings

At 31 July 2002 the company had the following wholly owned subsidiaries, both of which are registered in Scotland.

Name of undertaking	Nature of business	Proportion of issued ordinary shares held by company
National Industrial & Environmental Culture Collection Limited	Maintenance of the National Collection of Industrial, Marine and Food Bacteria	100%
Aubec R&D Ltd	Dormant	100%

The company also has other unlisted investments. Information about the principal investments (where the company owns greater than 20% of the issued shares) is as follows:-

Name of undertaking	AUPEC Limited	NCIMB Limited
Country of incorporation	Scotland	Scotland
Proportion of issued shares held by company	20%	13%
Aggregate of capital and reserves at 31 July 2002	£190,707	£13,300
Profit/(loss) for year to 31 July 2002	£140,138	(£111,400)

The above results for AUPEC Limited are extracted from management accounts as the company has changed its accounting reference date to 31 December.

6. Debtors

	2002	2001
	£	£
Trade debtors	-	27,761
Other debtors	2,215	4,525
Prepayments and accrued income	-	485
Amounts owed by group undertakings	10,663	11,982
	12,878	44,753

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2002 (continued)

7. Creditors

	2002 £	2001 £
Falling due within one year		
Loan from University of Aberdeen	-	66,120
Trade creditors	9,749	10,517
Other creditors	16,350	38,775
Other taxation and social security	71,697	57,050
Amounts owed to associated companies	1,107	-
Amounts owed to group undertakings	-	92,890
	98,903	265,352
Falling due after more than one year		
Loan from University of Aberdeen	85,000	125,540
	85,000	125,540
Maturing of loans		
Repayable in monthly instalments as follows:		
Within one year	-	66,120
Between one and two years	-	20,880
Between two and five years	-	62,640
Outwith five years	85,000	42,020
	85,000	191,660

8. Provisions for liabilities and charges

Deferred taxation

The accounting 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

Notes to the financial statements For the year ended 31 July 2002 (continued)

9. Share capital

	2002	2001
	£	£
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

10. Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 August 2001	137,456	(503,996)
Loss for the financial year	-	(52,899)
Transfer of realised profits	(137,456)	137,456
At 31 July 2002	-	(419,439)

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

Detailed profit and loss account for the year ended 31 July 2002

	2002 £	2001 £
Sales	-	10,837
Cost of sales		
Direct costs	-	11,222
Salaries	-	26,807
	-	38,029
Gross (loss)/profit	-	(27,192)
Property revenue	53,936	52,478
Service charges	29,072	34,293
Gain on sale of heritable property	13,281	-
Gain on sale of fixed asset investments	-	8,070
	96,289	67,649
Administrative expenses		
Chairman's salary	10,833	-
Other salaries	3,830	-
Printing, postage and stationery	647	(1,705)
Travel	246	37
Telephone	296	(324)
Depreciation	15,000	24,297
Loss on sale of plant and equipment	2,890	3,059
Consultancy	-	2,663
IT services and consumables	322	2,112
Heat and light	13,589	(1,269)
General expenses	906	1,485
Legal fees	15	3,805
Audit and accounting fees	34,735	36,441
Insurance	4,126	4,856
Bad debts	46,318	82,000
Loss on sale of currency	-	74
Provision for losses in Aubec	265	17,536
Exceptional item		
Additional VAT liability	7,473	56,000
	141,491	231,067
Operating loss	(45,202)	(163,418)