

Aberdeen University Research and Industrial
Services Limited

Directors' report and financial statements
for the year ended 31 July 2001

Registered Number 75913



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COMPANIES HOUSE 24/10/02

Aberdeen University Research and Industrial Services Limited

Directors' report and financial statements for the year ended 31 July 2001

Contents

Directors and Advisors for the year ended 31 July 2001	1
Directors' report for the year ended 31 July 2001	2
Auditors' report to the members of Aberdeen University Research and Industrial Services Limited	3
Profit and loss account for the year ended 31 July 2001	4
Balance sheet as at 31 July 2001	5
Notes to the financial statements for the year ended 31 July 2001	6

Aberdeen University Research and Industrial Services Limited

Directors and Advisors for the year ended 31 July 2001

Directors:

Professor A R Forrester	
Professor R Harrison	(resigned 1 October 2001)
Professor I Macdonald	(resigned 1 October 2001)
Professor J I Prosser	
Dr A W Alexander	(resigned 1 August 2001)
Dr R Scott-Brown	(resigned 1 October 2001)
Mr R Duncan	(resigned 1 October 2001)
Mr E A Gillespie	(resigned 1 October 2001)
Mr T Kidner	
Mr M Ord	(resigned 1 August 2001)
Ms A Harper	

**Secretary and
Registered office:**

Ron Taylor
King's College
Old Aberdeen
Aberdeen
AB24 3SW

Auditors:

PricewaterhouseCoopers
32 Albyn Place
Aberdeen
AB10 1YL

Bankers:

Clydesdale Bank plc

Aberdeen University Research and Industrial Services Limited

Directors' report for the year ended 31 July 2001

The directors present their report and the audited financial statements for the year ended 31 July 2001.

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 wind down normal trading in this company and for a period of time 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 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 of the company are shown on page 1. Ms A Harper was appointed on 1 September 2000. The other directors served throughout the year ended 31 July 2001. In addition, Dr H Fullerton also served as a director until his resignation on 1 September 2000.

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

King's College
Old Aberdeen
Aberdeen
AB24 3RY

Aberdeen University Research and Industrial Services Limited

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

We have audited the financial statements on pages 4 to 13.

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 and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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.

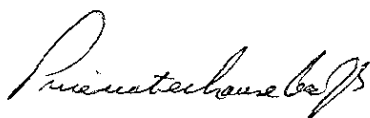
Basis of audit opinion

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 2001 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, 30 September 2002

Aberdeen University Research and Industrial Services Limited

Profit and loss account for the year ended 31 July 2001

	Note	2001 £	2000 £
Turnover		10,837	268,735
Cost of sales		(38,029)	(193,180)
Gross (loss)/profit		(27,192)	75,555
Administrative expenses		(281)	(77,360)
Exceptional item – additional VAT liability	2	(56,000)	-
Exceptional item – bad debt provision	2	(79,945)	-
Operating loss	2	(163,418)	(1,805)
Interest receivable		2,458	6,737
Amounts written off investments	5	(15,002)	-
Interest payable		(12,010)	(13,622)
Loss on ordinary activities before taxation		(187,972)	(8,690)
Tax on loss on ordinary activities		(422)	921
Loss for the financial year after taxation	10	(188,394)	(7,769)

All activities relate to continuing operations.

Statement of total recognised gains and losses

	Note	2001 £	2000 £
Loss for the financial year		(188,394)	(7,769)
Revaluation adjustment	4	(183,000)	-
Total losses recognised since last annual report		(371,394)	(7,769)

Note of historical cost profits and losses

Reported loss on ordinary activities before taxation	(187,972)	(8,690)
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	9,308	9,308
Historical cost (loss)/profit on ordinary activities before taxation	(178,664)	618
Historical cost (loss)/profit for the year retained after taxation	(179,086)	1,539

Aberdeen University Research and Industrial Services Limited

Balance sheet as at 31 July 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible assets	4		503,890		714,245
Investments	5		3,850		18,869
			507,740		733,114
Current assets					
Debtors	6	44,753		255,985	
Cash at bank and in hand		71,859		35,525	
		116,612		291,510	
Creditors: amounts falling due within one year	7	(265,352)		(273,350)	
Net current (liabilities)/assets			(148,740)		18,160
Total assets less current liabilities			359,000		751,274
Creditors : amounts falling due after more than one year	7		(125,540)		(146,420)
Net assets			233,460		604,854
Capital and reserves					
Called up share capital	9		600,000		600,000
Revaluation reserve	10		137,456		329,764
Profit and loss account	10		(503,996)		(324,910)
Equity shareholders' funds			233,460		604,854

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 13 were approved by the board of directors on 24/09/2002 and were signed on its behalf by:

Director: *A R Forrester (Chairman)*

Director: *Ron Taylor* RON TAYLOR

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements for the year ended 31 July 2001

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 March 2000). 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 2001 (continued)

2. Operating loss including exceptional item

	2001 £	2000 £
Operating loss is stated after charging:		
Depreciation	24,297	28,505
Auditors' remuneration	7,000	2,984
Provision for losses in subsidiary (Aubec R&D Ltd)	17,536	-
Operating lease rentals - plant and machinery	26	3,523
Exceptional item – additional VAT liability	56,000	-
Exceptional item – provision for bad debts	79,945	-
And after crediting:		
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

	2001 £	2000 £
Aggregate emoluments	13,725	25,750
Company pension contributions to defined contribution scheme	1,658	1,375
	15,383	27,125

Retirement benefits are accruing to one director under a defined benefit scheme.

The emoluments of the director was recharged from the University of Aberdeen for his services to the company.

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements

For the year ended 31 July 2001 (continued)

4. Tangible fixed assets

	Heritable Land and Buildings	Plant and Equipment	Total
	£	£	£
Company			
Cost or valuation			
At 1 August 2000	775,000	70,954	845,954
Revaluation adjustment	(275,000)	-	(275,000)
Disposals	-	(9,070)	(9,070)
At 31 July 2001	500,000	61,884	561,884
Depreciation			
At 1 August 2000	69,000	62,709	131,709
Revaluation adjustment	(92,000)	-	(92,000)
Charge for the year	23,000	1,297	24,297
Disposals	-	(6,012)	(6,012)
At 31 July 2001	-	57,994	57,994
Net book value			
At 31 July 2001	500,000	3,890	503,890
At 31 July 2000	706,000	8,245	714,245

The cost or valuation figures at 31 July 2001 are arrived at as follows:

Heritable land and buildings – valuation in 1997. The freehold land and buildings were valued by F G Burnett, Chartered Surveyors, 33 Albyn Place, Aberdeen in March 1997 on an open market value basis. The valuation amounted to £775,000. A further revaluation was carried out by the District Valuer during 2001/02 which valued the property at £500K on an open market value basis. The revaluation adjustment relates to the impairment on the property which was sold post year end (note 14).

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2001 (continued)

Plant and equipment – cost

The amount of heritable land and buildings (included above at valuation) determined according to the historical cost accounting rules is as follows:

	2001	2000
	£	£
Cost	524,796	524,796
Aggregate depreciation	(162,252)	(148,560)
Net book value	362,544	376,236

5. Investments

	Subsidiary undertakings £	Other unlisted investments £	Total £
Cost			
At 1 August 2000	30,405	2,867	33,272
Re-classification	(16,000)	16,000	-
Disposals	(14,403)	(17)	(14,420)
At 31 July 2001	2	18,850	18,852
Provisions			
At 1 August 2000	(14,403)	-	(14,403)
Disposals	14,403	-	14,403
Amounts provided	2	15,000	15,002
At 31 July 2001	2	15,000	15,002
Net book value			
At 31 July 2001	-	3,850	3,850
At 31 July 2000	16,002	2,867	18,869

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2001 (continued)

Interests in group undertakings

At 31 July 2001 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	Development of healthcare products and aids for the disabled	100%

In addition at the start of the year the company had two other wholly owned subsidiaries, which ceased to be subsidiaries during the year as a result of management buy-outs. The company retained its investments in these companies which were then re-classified as other unlisted investments. Information about these investments is as follows:-

Name of undertaking	AUPEC Limited	NCIMB Limited
Country of incorporation	Scotland	Scotland
Proportion of issued shares held by company	20%	26%
Aggregate of capital and reserves at 31 July 2001	£190,707	£13,300
Profit/(loss) for year to 31 July 2001	£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

	2001	2000
	£	£
Trade debtors	27,761	123,211
Other debtors	4,525	-
Prepayments and accrued income	485	3,441
Amounts owed by group undertakings	11,982	129,333
Amounts owed by associated companies	-	-
	44,753	255,985

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2001 (continued)

7. Creditors

	2001 £	2000 £
Falling due within one year		
Loan from University of Aberdeen	66,120	45,240
Payments received on account	-	92,533
Trade creditors	10,517	7,653
Other creditors	38,775	66,699
Corporation tax	-	-
Other taxation and social security	57,050	37,482
Amounts owed to subsidiary undertakings	-	801
Amounts owed to group undertakings	92,890	22,942
	265,352	273,350
Falling due after more than one year		
Loan from University of Aberdeen	125,540	146,420
	125,540	146,420
Maturing of loans		
Repayable in monthly instalments as follows:		
Within one year	66,120	45,240
Between one and two years	20,880	20,880
Between two and five years	62,640	62,640
Outwith five years	42,020	62,900
	191,660	191,660

Secured creditors

The loan from University of Aberdeen is secured by a standard security over the company's property.

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2001 (continued)

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.

The only potential liability which has not been provided for is that which would arise if the heritable land and buildings were sold at the revalued amounts; at 31 July 2001 this amounted to £nil (2000 - £2,000).

9. Share capital

	2001	2000
	£	£
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 2000	329,764	(324,910)
Loss for the financial year	-	(188,394)
Revaluation adjustment (note 4)	(183,000)	-
Transfer of realised profits	(9,308)	9,308
At 31 July 2001	137,456	(503,996)

Aberdeen University Research and Industrial Services Limited

Notes to the financial statements For the year ended 31 July 2001 (continued)

11. Operating lease commitments

At the year end the following annual operating lease commitments existed:

	2001	2000
	£	£
Equipment		
Expiring within 1 year	-	3,523
	-	3,523

12. 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.

13. 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.

14. Post balance sheet events

- (i) On 19 October 2001, the directors of the company agreed to restructure its investment in NCIMB Limited. The board agreed to convert 15,000 A Ordinary shares into 10,014 ordinary shares and 4,986 preference shares.
- (ii) On 5 February 2002, the University Court of the University of Aberdeen agreed that the University purchase the AURIS building from the company at the District Valuer's valuation of £500k and that the company should settle outstanding debts from the proceeds.