REGISTERED NUMBER: SC078368 (Scotland)

Report of the Directors and

Unaudited Financial Statements for the Year Ended 31 July 2012

for

NCIMB Limited

NCIMB Limited (Registered number: SC078368)

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for the Year Ended 31 July 2012

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NCIMB Limited

Company Information
for the Year Ended 31 July 2012

DIRECTORS:	Prof J I Prosser Dr A Stevenson B R Philpott Dr. C J Phillips E-Synergy Nominees Ltd (Corporate)
SECRETARY:	Mrs F Ewing
REGISTERED OFFICE:	Ferguson Building Craibstone Estate Bucksburn Aberdeen AB21 9YA
REGISTERED NUMBER:	SC078368 (Scotland)
ACCOUNTANTS:	JDD Chartered Accountants 5 Rubislaw Terrace Aberdeen AB10 1XE

Report of the Directors
for the Year Ended 31 July 2012

The directors present their report with the financial statements of the company for the year ended 31 July 2012.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the provision of commercial services, including the sale of micro-organisms, microbial identification services to industry and academia and chemical analyses for the environmental and oil and gas sectors. The company is also actively engaged in research and development activities, in particular, the development and commercialisation of a multi-species (bacteria and yeast) toxicity testing kit.

RESEARCH AND DEVELOPMENT
During the year under review, the company has conducted research and development activities directly related to the provision of new goods and services.

DIRECTORS
The directors set out in the table below have held office during the whole of the period from 1 August 2011 to the date of this report.

The beneficial interests of the directors holding office at 31 July 2012 in the shares of the company, according to the register of directors' interests, were as follows:

	31.7.12	1.8.11
A Ordinary shares of £1 each		
Prof J I Prosser	-	-
Dr A Stevenson	1,807	1,807
B R Philpott	10,000	10,000
Dr. C J Phillips	-	-
E-Synergy Nominees Ltd (Corporate)	-	-
Ordinary shares of £1 each		
Prof J I Prosser	2,083	2,083
Dr A Stevenson	4,000	4,000
B R Philpott	8,000	8,000
Dr. C J Phillips	4,000	4,000
E-Synergy Nominees Ltd (Corporate)	-	-
B Ordinary shares of 40p each		
Prof J I Prosser	12,500	12,500
Dr A Stevenson	31,729	31,729
B R Philpott	6,775	6,775
Dr. C J Phillips	-	-
E-Synergy Nominees Ltd (Corporate)	-	-

These directors did not hold any beneficial interests in the following:

Preference shares of £1 each

B Preference shares of £1 each

These directors did not hold any non-beneficial interests in any of the shares of the company.

Report of the Directors
for the Year Ended 31 July 2012

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Mrs F Ewing - Secretary

11 March 2013

NCIMB Limited (Registered number: SC078368)

Profit and Loss Account
for the Year Ended 31 July 2012

	Notes	31.7.12 £	31.7.11 £
TURNOVER	2	1,322,603	1,094,890
Cost of sales		687,269	663,404
GROSS PROFIT		635,334	431,486
Administrative expenses		515,966	412,079
		119,368	19,407
Other operating income		1,729	-
OPERATING PROFIT	3	121,097	19,407
Interest payable and similar charges		10,623	8,006
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		110,474	11,401
Tax on profit on ordinary activities	4	(5,112)	-
PROFIT FOR THE FINANCIAL YEAR		115,586	11,401

The notes form part of these financial statements

Balance Sheet
31 July 2012

	Notes	31.7.12 £	£	31.7.11 £	£
FIXED ASSETS					
Intangible assets	5		28,582		32,008
Tangible assets	6		939,411		904,755
Investments	7		-		2
			967,993		936,765
CURRENT ASSETS					
Stocks		528,989		543,836	
Debtors	8	157,936		188,982	
Prepayments and accrued income		67,094		22,593	
Cash at bank and in hand		113,704		72,576	
		867,723		827,987	
CREDITORS					
Amounts falling due within one year	9	291,629		323,635	
NET CURRENT ASSETS			576,094		504,352
TOTAL ASSETS LESS CURRENT LIABILITIES			1,544,087		1,441,117
CREDITORS					
Amounts falling due after more than one year	10		411,006		423,622
NET ASSETS			1,133,081		1,017,495
CAPITAL AND RESERVES					
Called up share capital	13		835,135		835,135
Share premium	14		285,775		285,775
Revaluation reserve	14		741,158		741,158
Profit and loss account	14		(728,987)		(844,573)
SHAREHOLDERS' FUNDS			1,133,081		1,017,495

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2012.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2012 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

continued...

Balance Sheet - continued
31 July 2012

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 11 March 2013 and were signed on its behalf by:

Dr. C J Phillips - Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover
Turnover represents invoiced sales of goods and services, excluding value added tax.

Intangible assets
Intangible assets are amortised through the profit and loss account by equal instalments over their estimated useful economic life of 10 years for assets existing on 1 August 2005 and 15 years for assets purchased during or after the year ended 31 July 2006.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Culture collection	- not provided
Plant and machinery	- at varying rates on cost
Computer software	- 33% on cost
Equipment for hire	- straight line over 1 year

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

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2. TURNOVER

In the year to 31 July 2012, 18% (2011 18%) of the company's turnover was derived from markets outside the United Kingdom.

As a result of Government cut-backs, funding from the BBSRC for the maintenance of the culture collection was substantially reduced during the year to 31 July 2012. However, directors believe that this funding shortfall will be replaced by alternatives and by increased profitability in all areas of business.

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.7.12	31.7.11
	£	£
Depreciation - owned assets	48,064	51,495
Depreciation - assets on finance leases	14,964	18,879
Patents and licences amortisation	3,426	3,633
Foreign exchange differences	7,886	499
Pension costs	23,100	26,338
Directors' remuneration	98,906	65,718

4. TAXATION

Analysis of the tax credit
The tax credit on the profit on ordinary activities for the year was as follows:

	31.7.12	31.7.11
	£	£
Current tax:		
R & D tax credit	(5,112)	-
Tax on profit on ordinary activities	(5,112)	-

Factors that may affect future tax charges
Had the culture collection been sold on 31 July 2010 at its revalued amount, no corporation tax would have been payable on the capital gain because of available trading losses.

No corporation tax is payable because of available tax losses.

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5. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 August 2011 and 31 July 2012	52,006
AMORTISATION	
At 1 August 2011	19,998
Amortisation for year	3,426
At 31 July 2012	23,424
NET BOOK VALUE	
At 31 July 2012	28,582
At 31 July 2011	32,008

6. TANGIBLE FIXED ASSETS

	Culture collection £	Plant and machinery £	Computer software £	Equipment for hire £	Totals £
COST OR VALUATION					
At 1 August 2011	750,000	677,971	71,720	16,381	1,516,072
Additions	-	95,184	2,500	-	97,684
At 31 July 2012	750,000	773,155	74,220	16,381	1,613,756
DEPRECIATION					
At 1 August 2011	-	542,662	52,274	16,381	611,317
Charge for year	-	49,374	13,654	-	63,028
At 31 July 2012	-	592,036	65,928	16,381	674,345
NET BOOK VALUE					
At 31 July 2012	750,000	181,119	8,292	-	939,411
At 31 July 2011	750,000	135,309	19,446	-	904,755

Cost or valuation at 31 July 2012 is represented by:

	Culture collection £	Plant and machinery £	Computer software £	Equipment for hire £	Totals £
Valuation in 2002	160,000	-	-	-	160,000
Valuation in 2003	340,000	-	-	-	340,000
Valuation in 2007	250,000	-	-	-	250,000
Cost	-	773,155	74,220	16,381	863,756
	750,000	773,155	74,220	16,381	1,613,756

continued...

6. **TANGIBLE FIXED ASSETS - continued**

If the Culture Collection had not been revalued it would have been included at the following historical cost:

	31.7.12	31.7.11
	£	£
Cost	8,842	8,842

The Culture Collection was valued on a value in use basis on 31 July 2007 by Professor M Goodfellow .

He valued the collection in his capacity as Professor of Microbiology at Newcastle University and Head of the School of Biology at Newcastle University.

The directors do not consider that there has been a diminution in the value of the culture collection since its valuation in 2007.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery	Computer software	Equipment for hire	Totals
	£	£	£	£
COST OR VALUATION				
At 1 August 2011	36,622	16,071	11,910	64,603
Additions	70,000	-	-	70,000
At 31 July 2012	106,622	16,071	11,910	134,603
DEPRECIATION				
At 1 August 2011	5,747	7,513	11,910	25,170
Charge for year	9,660	5,304	-	14,964
At 31 July 2012	15,407	12,817	11,910	40,134
NET BOOK VALUE				
At 31 July 2012	91,215	3,254	-	94,469
At 31 July 2011	30,875	8,558	-	39,433

7. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings
	£
COST	
At 1 August 2011	2
Disposals	(2)
At 31 July 2012	-
NET BOOK VALUE	
At 31 July 2012	-
At 31 July 2011	2

Bioinformatica Ltd, in which the company had invested £2 as above, was dissolved in May 2011.

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8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.12	31.7.11
	£	£
Trade debtors	157,936	188,709
Other debtors	-	273
	157,936	188,982

Included in trade debtors as at 31 July 2012 are factored debts totalling £98,821 (2011: £144,382).

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.12	31.7.11
	£	£
Bank loans and overdrafts	30,101	24,141
Finance leases	38,781	17,182
Trade creditors	93,716	97,316
Taxation and social security	27,637	59,311
Other creditors	101,394	125,685
	291,629	323,635

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.12	31.7.11
	£	£
Bank loans	94,476	127,811
Preference shares (see note 11)	266,986	266,986
Finance leases	49,544	28,825
	411,006	423,622

11. PREFERENCE SHARES

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.12	31.7.11
			£	£
69,986	Preference	£1	69,986	69,986
197,000	B Preference	£1	197,000	197,000
			266,986	266,986

continued...

11. LOANS - continued

The entitlements of the Preference shares, with the amounts for B Preference shares shown in brackets where different, are as follows:

a. a fixed cumulative preference dividend of 8% per annum, in priority to any other class of share;

b. redemption on a sale or listing or at the request of the company at £1.03 (£1.00) per share, together with accruals or arrears of dividends; and

c. a £1.03 (£1.00) per share distribution, together with accruals or arrears of dividends, on winding up of the company.

The holders of Preference shares have the right to have redeemed all of the Preference shares for the time being outstanding and fully paid at 19 October 2006 after giving not less than three months previous notice in writing to the company. In the event of such a redemption there shall be paid an amount in respect of each Preference share of £1.03 together with all arrears and accruals of preference dividends payable up to and including the redemption date.

The holders of B Preference shares have the same redemption rights as those set out above for Preference shares except that the amount payable for each share shall be £2.00.

The B Preference shares are entitled to dividends in priority to the Preference shares.

12. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.12	31.7.11
	£	£
Bank loans	124,577	151,952

The bank loans are secured by means of a bond and floating charge over all the assets of the company.

Included in total secured debts as shown above is a liability due in more than one year of £94,476 as at 31 July 2012 (2011: £127,811).

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.12	31.7.11
			£	£
445,375	A Ordinary	£1	445,375	445,375
209,526	Ordinary	£1	209,526	209,526
450,585	B Ordinary	40p	180,234	180,234
			835,135	835,135

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14. RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 August 2011	(844,573)	285,775	741,158	182,360
Profit for the year	115,586			115,586
At 31 July 2012	(728,987)	285,775	741,158	297,946

15. RELATED PARTY DISCLOSURES

One of the four main shareholders in the company, Aberdeen University provides one of the five directors.

J Prosser is a professor at Aberdeen University. During the year ended 31 July 2012, £3,000 was charged to the company for his services (2011: £17,815).
At 31 July 2012, the amount owed to Aberdeen University was £3,000 (2011: £4,593).

A Stevenson is a director of Stevenson Engineering Research Ltd in which he is the joint holder of 99% of the shares. During the year ended 31 July 2012, £7,634 was charged to NCIMB Ltd for his services (2011: £11,159). At 31 July 2012, the amount owed to Stevenson Engineer Research Ltd was £4,666 (2011:£4,500)

E-Synergy Ltd, the parent company of E-Synergy Nominees Ltd, was paid £4,507 during the year for services to the company (2011: £2,375).

16. UNPROVIDED CUMULATIVE PREFERENCE DIVIDEND ARREARS

On 31 July 2012, NCIMB Ltd had unprovided cumulative preference dividend arrears totalling £206,889 (2011: £185,530), consisting of £57,400 accrued to preference shareholders (2011: £51,801) and £149,489 accrued to B preference shareholders (2011: £133,729).

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