

REGISTERED NUMBER 4361684

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

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For The Year Ended 31 March 2009**

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**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**COMPANY INFORMATION
For The Year Ended 31 March 2009**

DIRECTORS

Dr A G Rickman
Dr J Beacham
T Bestwick
Prof C R Whitehouse
P Greenish
Prof R Holdaway
Dr P B Kaziewicz
M A R Affonso
Dr E Towns-Andrews

SECRETARY

L Baines

REGISTERED OFFICE

Rutherford Appleton Laboratory
Harwell Science and Innovation Campus
Didcot
OX11 0QX

REGISTERED NUMBER

4361684

AUDITORS

James Cowper LLP
Registered Auditor and
Chartered Accountants
Willow Court
7 West Way
Oxford
Oxfordshire
OX2 0JB

BANKERS

Lloyds TSB Bank Plc
Market Place
Didcot
Oxfordshire
OX11 7LQ

SOLICITORS

Manches LLP
9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HN

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2009**

The directors present their report with the financial statements of the company for the year ended 31 March 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the commercial exploitation of intellectual property and other assets owned by the Science and Technology Facilities Council (STFC). This activity was maintained during this accounting period and is considered unlikely to change in the foreseeable future.

REVIEW OF BUSINESS

CLIK has an exclusive option to the commercial exploitation of STFC's intellectual property.

The major activities of CLIK are:

- Commercial exploitation of the STFC's Intellectual Property (IP) through licence agreements, shareholder agreements with start-up companies and sales of products and services,
- Management of STFC's IP rights including registering, maintaining, protecting, building and defending its IP portfolio,
- Providing commercial guidance to STFC on IP issues
- Marketing and selling access to certain facilities and products on a commercial basis

During 2008/2009 CLIK has continued to establish and expand its exploitation of the intellectual property rights of STFC. CLIK is actively managing 65 live patent families, although 14 of these are due to be dropped. 6 new patent applications have been filed during 2008/2009.

CLIK has a shareholding in 7 operating spin-out companies and 6 further early-stage companies (which are generally not yet substantially funded). As yet none of these companies has achieved profitability and in general they are funded by venture capital.

CLIK administers 'Proof of Concept' funds to develop and validate early stage technology from STFC that has commercial potential. These fund activities to demonstrate technical capability, define markets and generally increase commercial value, prior to licensing or raising venture capital investment. There are two such funds: Fund A where the money is directly provided by DIUS from its Public Sector Research Exploitation Fund and Fund B which is provided by STFC. CLIK administers both, with Fund B shown in the CLIK accounts for the first time in 2008/9.

The CLIK Business Development team works actively to generate sales leads and business across a range of STFC's technical activities. A significant fraction of this business was associated with commercial access to the Daresbury Synchrotron Radiation Source but this was finally shut down during 2008, so this particular commercial service can no longer be offered. CLIK will continue to play an advising and coordinating role with regard to developing sales activities in STFC, however, in future the contracts for such activities will be managed by the STFC departments themselves and the revenue generated will be shown in STFC's accounts rather than in CLIK's accounts.

In the coming year CLIK expects to continue to build on its commercialisation success, developing prospects, protecting intellectual property, expanding its licensing and spin-out activities and working with STFC to develop its commercialisation activities. CLIK will also continue to manage the existing portfolio of spin-out companies and further develop relations with investors.

The viability of CLIK depends on the continued financial support from its sole shareholder, STFC. The Company has been advised by its parent that the cumulative loss incurred up to the end of 2008/9, and projected losses for CLIK in subsequent years up to and including 2010/11, will be underwritten in full by STFC.

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2009**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report

Dr A G Rickman
Dr J Beacham
T Bestwick
Prof C R Whitehouse
P Greenish
Prof R Holdaway
Dr P B Kaziewicz

Other changes in directors holding office are as follows

S J Hopley - resigned 8 January 2009
M A R Affonso - appointed 8 January 2009
Dr E Towns-Andrews - appointed 8 January 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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


L Baines - Secretary

Date 21/07/2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

We have audited the financial statements of Central Laboratory Innovation and Knowledge Transfer Limited for the year ended 31 March 2009 on pages six to thirteen. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 a Report of the Auditors 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we 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.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

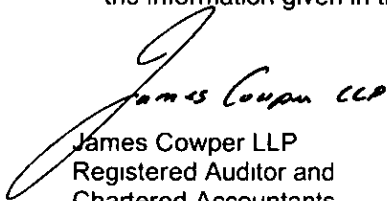
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

Opinion

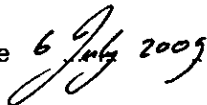
In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



James Cowper LLP
Registered Auditor and
Chartered Accountants
Willow Court
7 West Way
Oxford
Oxfordshire
OX2 0JB

Date



**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2009**

	Notes	2009 £	2008 £
TURNOVER		1,556,599	1,380,091
Administrative expenses		<u>2,411,449</u>	<u>1,655,782</u>
		(854,850)	(275,691)
Other operating income		<u>23,426</u>	<u>-</u>
OPERATING LOSS	2	(831,424)	(275,691)
Interest receivable and similar income		<u>20,468</u>	<u>24,938</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(810,956)	(250,753)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>(810,956)</u></u>	<u><u>(250,753)</u></u>

The notes form part of these financial statements

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For The Year Ended 31 March 2009**

	2009 £	2008 £
LOSS FOR THE FINANCIAL YEAR	(810,956)	(250,753)
Revaluation of fixed asset investment	<u>(61,253)</u>	<u>(74,955)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(872,209)</u>	<u>(325,708)</u>

The notes form part of these financial statements

BALANCE SHEET
31 March 2009

	Notes	£	2009	£	£	2008	£
FIXED ASSETS							
Investments	4			1			61,253
CURRENT ASSETS							
Debtors	5		70,377			383,407	
Cash at bank			<u>943,139</u>			<u>317,783</u>	
			1,013,516			701,190	
CREDITORS							
Amounts falling due within one year	6		<u>3,020,088</u>			<u>1,896,806</u>	
NET CURRENT LIABILITIES				<u>(2,006,572)</u>			<u>(1,195,616)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>(2,006,571)</u>			<u>(1,134,363)</u>
CAPITAL AND RESERVES							
Called up share capital	7			1			1
Revaluation reserve	8			1			61,253
Profit and loss account	8			<u>(2,006,573)</u>			<u>(1,195,617)</u>
SHAREHOLDERS' FUNDS				<u>(2,006,571)</u>			<u>(1,134,363)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Directors on 29th June 2009 and were signed on its behalf by


Director

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2009**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

As the company is a wholly owned subsidiary of the Science and Technologies Facilities Council (formerly the Council for the Central Laboratory of the Research Councils), it has taken advantage of the exemption contained in the Financial Reporting Standards for Smaller Entities (effective January 2007) and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of the Science and Technologies Facilities Council can be obtained from the address given in note 9.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover is the total amount receivable by the company for external trading and public sector support, excluding VAT and trade discounts.

Income from the proof of concept grant is recognised when the project finishes and can be matched against expense incurred.

Deferred tax

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Investments

Unlisted investments are stated in accordance with the British Venture Capital Association guidelines for valuation of unlisted investments at amounts considered by the directors to be a fair assessment of their value.

Investments are included at cost subject to an annual impairment review. They are written down immediately with the impairment reversed once cumulative profits are foreseen in the investment or another event occurs that would indicate their value is materially different from their cost.

Going Concern

The company has net liabilities of £2,006,571 (2008 - £1,134,363) and made a loss of £810,956 (2008 - £250,753) in the year. The directors consider it appropriate to prepare the accounts on a going concern basis as the parent company, the Science and Technology Facilities Council (formerly the Council for the Central Laboratory of the Research Councils) has pledged to support the company at least up to 31 March 2011 which is the end of the current Comprehensive Spending Review 2007 period.

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2009**

2 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2009 £	2008 £
Auditors' remuneration	4,500	4,500
Foreign exchange differences	(3,710)	-
Pension costs	<u>113,851</u>	<u>53,565</u>
Directors' emoluments and other benefits etc	<u>76,114</u>	<u>73,590</u>

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2009 nor for the year ended 31 March 2008

4 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 April 2008	61,253
Additions	1
Impairments	<u>(61,253)</u>
At 31 March 2009	<u>1</u>
NET BOOK VALUE	
At 31 March 2009	<u>1</u>
At 31 March 2008	<u>61,253</u>

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2009**

4 FIXED ASSET INVESTMENTS - continued

At 31 March 2009 the company held interests in the following undertakings

	Country of incorporation	Class of share held	Proportion held %	Aggregate of capital and reserves £	Profit/(Loss) for the year £
Oxsensis Limited	England	Ordinary	5	2,571,178	(1,344,031)
L3 Technology Limited	England	Ordinary	7	621,459	(185,086)
Microvisk Limited	England	Ordinary	8	416,132	(472,923)
ThruVision Limited	England	Ordinary	9	(618,000)	(3,908,000)
Petrra Limited	England	Ordinary	15	42,314	(50,089)
Orbital Optics Limited	England	Ordinary	29	90,992	(13,613)
LaserThor Limited	England	Ordinary	8	(316,287)	-
Cobalt Systems Limited (formerly LiteThru Limited)	England	Ordinary	33	208,841	(221,731)
Quantum Detectors Limited	England	Ordinary	100	39,199	44,938

At 31 March 2008 the company held interests in the following undertakings

	Country of incorporation	Class of share held	Proportion held %	Aggregate of capital and reserves £	Profit/(Loss) for the year £
Oxsensis Limited	England	Ordinary	5	3,807,511	(107,697)
L3 Technology Limited	England	Ordinary	7	1,156,437	(185,086)
Microvisk Limited	England	Ordinary	12	120,286	(472,923)
ThruVision Limited	England	Ordinary	18	(851,072)	(3,300,302)
Petrra Limited	England	Ordinary	15	139,431	(439,998)
Orbital Optics Limited	England	Ordinary	29	211,355	(32,275)
LaserThor Limited	England	Ordinary	8	(316,287)	(23,311)

The shares in Cobalt Systems Limited and Quantum Detectors Limited have all been acquired at par during the year

Aggregate of capital and reserve and loss for the year are derived from the unaudited management accounts of the individual investee companies

At the [date of signature of accounts] a sale of the shares of Orbital Optics Limited has been agreed in principle although not contracted for. Under the terms of this sale the company would receive £1 upon completion and a share in deferred consideration, the level of which is contingent upon levels of sales. As the sale has not been contracted and in the light of the uncertainty of future revenue streams the Directors have impaired the investment to £1

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2009**

5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade debtors	31,051	179,126
Other debtors	39,326	204,281
	<u>70,377</u>	<u>383,407</u>

6 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Other creditors	2,450,809	1,896,806
Deferred government grants	569,279	-
	<u>3,020,088</u>	<u>1,896,806</u>

In majority the other creditors figure relates to amounts owed by CLIK to its parent, STFC, for the costs of STFC staff seconded to CLIK and for reimbursement of invoices for operating costs which STFC settled on CLIK's behalf

7 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2009	2008
		£1	£	£
500,000	Ordinary share		<u>500,000</u>	<u>500,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2009	2008
		£1	£	£
1	Ordinary share		<u>1</u>	<u>1</u>

8 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2008	(1,195,617)	61,253	(1,134,364)
Deficit for the year	(810,956)		(810,956)
Impairment of investment	-	(61,253)	(61,253)
Addition	-	1	1
At 31 March 2009	<u>(2,006,573)</u>	<u>1</u>	<u>(2,006,572)</u>

9 ULTIMATE PARENT COMPANY

The directors regard the Science and Technology Facilities Council (formerly the Council for the Central Laboratory of the Research Councils), a non-departmental public body incorporated by Royal Charter in England and Wales, as the company's ultimate parent by way of its 100% shareholding. The accounts of this company are available from the Science and Technology Facilities Council, Polaris House, North Star Avenue, Swindon, SN2 1SZ.

**CENTRAL LABORATORY INNOVATION AND
KNOWLEDGE TRANSFER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2009**

10 CAPITAL COMMITMENTS

At the audit date the company is committed to investing in Quantum Detectors Limited. There is no creditor in relation to this in the accounts as nominal cost will be paid.