

signed original

SC 290425

Roslin Cells Limited

Report and Financial Statements

31 March 2011

WEDNESDAY



S0051CV7

SCT

14/12/2011

#693

COMPANIES HOUSE

Directors

M Bateman

M Turner

A Courtney (appointed 6 May 2011)

P De Sousa (appointed 6 May 2011)

C Ffrench-Constant (appointed 6 May 2011)

Secretary

WJM Secretaries Limited

Auditors

Ernst & Young LLP

10 George St

Edinburgh EH2 2DZ

Bankers

Bank of Scotland

300 Lawnmarket

Edinburgh

EH1 2PH

Solicitors

Wright, Johnstone & MacKenzie

12 St. Vincent Place

Glasgow G1 2EQ

Registered Office

C/o Roslin Foundation

Roslin BioCentre

Roslin

Edinburgh

Midlothian EH25 9PP

Statement of directors' responsibilities

The directors present their report with the financial statements of the company for the year ended 31 March 2011.

Principal activity and review of the business

The company undertakes scientific research for the development of new stem cell technologies with the intention of applying those technologies in the development of regenerative medicines.

During the year the company continued to develop new techniques for the production of new stem cell lines to a standard suitable for their use in clinical application. The company continues to operate to ISO9001:2008 and be licensed by the Human Tissue Authority for processing of tissue for human application.

The company is also providing collaborative support for academic and commercial researchers wishing to develop clinical therapies using stem cells.

Directors

The directors who served the company during the year were as follows:

M Bateman
M Turner

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

In line with FRC guidance on Going Concern issued in November 2009, the Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

The company's business activities are described above. The company has sufficient cash to cover its overheads for the next twelve months.

After making suitable enquires, the Directors have a reasonable expectation that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

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

By order of the Board



Director

28 November 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 Roslin Cells Limited

We have audited the financial statements of Roslin Cells Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Roslin Cells Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Mark Harvey (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Edinburgh

28 November 2011

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover		1,294,971	1,065,592
Cost of sales		202,532	177,035
Gross profit		1,092,439	888,557
Administrative expenses		1,092,439	888,225
Operating profit/(loss)	2	—	332
Interest receivable and similar income		—	—
Profit on ordinary activities before taxation		—	332
Tax	4	—	332
Profit for the financial year		—	—

All operations are continuing.

Statement of total recognised gains and losses

for the year ended 31 March 2011

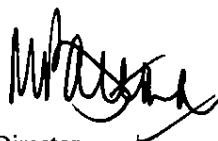
The company has no recognised gains or losses for the current year or previous year.

Balance sheet

at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	5	105,606	131,200
Current assets			
Debtors	6	380,615	229,097
Cash at bank and in hand		138,083	109,720
		518,698	338,817
Creditors: amounts falling due within one year	7	132,781	90,133
Net current assets/(liabilities)		385,917	248,684
Total assets less current liabilities		491,523	379,884
Accruals and deferred income	8	492,106	380,467
Net liabilities		(583)	(583)
Capital and reserves			
Profit and loss account	10	(583)	(583)
Shareholders' funds	11	(583)	(583)

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities.



Director

28 November 2011

Notes to the financial statements

at 31 March 2011

1. Accounting policies

Basis of preparation

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

Going concern

The company has secured grant funding which will secure its operations for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

Turnover

Turnover represents grants received.

Revenue grants are treated as deferred income and are credited to the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Grants in respect of fixed asset additions are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	–	33% on cost
Plant and machinery	–	at varying rates on cost

Research and development

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

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

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.

2. Operating profit/(loss)

This is stated after charging/(crediting):

	2011 £	2010 £
Auditors' remuneration	1,650	1,750
Depreciation of owned fixed assets	52,084	42,950
Operating lease rentals – plant and machinery	8,745	14,741
Revenue grants	(1,186,451)	(998,386)
Amortisation of grants relating to fixed assets	–	(5,750)
Property rent	75,756	51,560

Notes to the financial statements

at 31 March 2011

3. Directors' remuneration

	2011 £	2010 £
Remuneration	—	—
Company contributions paid to defined contribution pension schemes	45,056	33,427

4. Tax

Tax on profit on ordinary activities

The tax charge is made up as follows:

	2011 £	2010 £
<i>Current tax:</i>		
UK corporation tax on the profit for the year	—	332
Tax on profit on ordinary activities	—	332

5. Tangible fixed assets

	Property improvement £	Plant and machinery £	Totals £
Cost:			
At 1 April 2010	30,928	214,694	245,622
Additions	—	26,490	26,490
At 31 March 2011	30,928	241,184	272,112
Depreciation:			
At 1 April 2010	30,928	83,494	114,422
Charge for the year	—	52,084	52,084
At 31 March 2011	30,928	135,578	166,506
Net book value:			
At 31 March 2011	—	105,606	105,606
At 1 April 2010	—	131,200	131,200

Notes to the financial statements

at 31 March 2011

6. Debtors

	2011	2010
	£	£
Trade debtors	25,965	91,589
Amounts owed by group undertakings	172,119	92,972
Other debtors	182,531	21,168
VAT	—	23,368
	<u>380,615</u>	<u>229,097</u>

7. Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	67,232	26,799
Amounts owed to group undertakings	310	340
Taxation and social security	19,511	16,633
Other creditors	45,728	46,361
	<u>132,781</u>	<u>90,133</u>

8. Accruals and deferred income

	2011	2010
	£	£
Deferred government grant - capital	—	—
Deferred government grants - revenue	318,711	159,990
Other deferred grants- revenue	73,395	120,477
Deferred grant - Roslin Foundation	100,000	100,000
	<u>492,106</u>	<u>380,467</u>

9. Secured debts

A floating charge over all the company's assets has been granted to Scottish Enterprise.

10. Movements on reserves

	<i>Profit and loss account</i>
	£
At 1 April 2010	(583)
Profit for the year	—
At 31 March 2011	<u>(583)</u>

Notes to the financial statements

at 31 March 2011

The company is limited by guarantee and does not have any authorised share capital.

11. Reconciliation of shareholders funds

	2011 £	2010 £
Profit for the financial year	–	–
Opening shareholders funds	(583)	(583)
Closing shareholders funds	<u>(583)</u>	<u>(583)</u>

12. Other financial commitments

The following operating lease payments are committed to be paid within one year:

	<i>Property</i>		<i>Equipment</i>	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire:				
Within one year	37,878	75,763	–	12,080

13. Contingent liabilities

The company has received Government and European Union grants which are repayable if certain operating and performance conditions are breached. The company's operations have been monitored by the relevant bodies and there has been no indication that any of these conditions have been breached.

14. APB ethical standard - provisions available for small entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

15. Related party transactions

The company provides services to Roslin Cellab Limited, a company which M Bateman is also a Director of. At the year end, there was an amount of £61,593 due by Roslin Cellab Limited in respect of these services.

Roslin Foundation has made grant claims on behalf of Roslin Cells Limited and at 31st March 2011 an amount of £109,503 was due to Roslin Cells Limited by Roslin Foundation in respect of these.

The company shares expenses with Roslin Foundation and Roslin BioCentre Limited and at 31st March 2011 there were amounts of £nil and £nil due respectively. At 31st March 2011, there were no amounts due to Roslin Cells by Roslin BioCentre and £1,024 due from Roslin Foundation to Roslin Cells Limited.

At 31st March 2011, £310 was due to be paid to Forest Friends Nursery in respect of employee's childcare costs (2010 – £270).