

## Meeting of the Board of Directors

1.00pm on Monday 14 November 2011  
in 2D26, Technopark, London South Bank University

### Agenda

	<i>Paper No.</i>	<i>Presenter</i>
1. Welcome and Apologies		Chair
2. Approval of statutory accounts for year end 31/07/2011	SBUEL.04(11)	Chair
3. Approval of Letter of Representation	SBUEL.05(11)	Chair
4. Break for AGM (see separate agenda)		Chair
5. Resumption of Board meeting		Chair
6. To approve the minutes of the Board Meeting held on 16 <sup>th</sup> May 2011		
7. Matters Arising		
8. Intellectual Property and Spin-out Company Matters		Head of RBDO
9. Caze Ltd and BBM Ltd Developments		Head of RBDO
10. London Knowledge Innovation Centre		Chair / Head of RBDO
11. Research and Enterprise Review		PVC(E) / Head of RBDO
12. Financial Matters		
12.1 To receive the financial report for the period to 31 October 2011	SBUEL.06(11)	Chair
13. Any Other Business		Chair
Date of Next Meeting		Sec

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Members: Richard Flatman (Chair), Bev Jullien, Andy Tilbrook, Ed Tinley

In attendance: University Secretary, Governance Assistant.

***Confidential***

**To the directors of SBUEL**

Dear all,

With apologies for the short notice, please find below a note on an item of AOB at today's SBUEL board meeting.

**Employment of staff by SBUEL**

At its meeting of 8<sup>th</sup> November 2011, the executive noted an update from the Director of HR on the matter of employing staff in a wholly-owned subsidiary company. The following is a summary of the position:

SBUEL currently does not and has not employed staff. As indicated in the corporate plan, the university wishes to become London's Enterprising University. An enterprise director is being recruited who will lead on this project over the next 18 months. The enterprise director will be recruited on terms and conditions more tailored for a commercial / enterprise environment. Accordingly, this individual will be employed via SBUEL.

The contract of employment for this position will be a combination of statutory terms, commercial salary and bonus incentivisation and a cash allowance for pension provision. Although this is the first employee, other new staff will be directly recruited to SBUEL; in the short term this will include three new business development managers.

SBUEL is permitted to remunerate its employees under object 29 and article 18.

The SBUEL board is requested to authorise the appointment of:

- (i) an Enterprise Director; and
- (ii) three business development managers;

under such terms and conditions as approved by the Pro Vice Chancellor (External) (as advised by the LSBU Director of HR).

The SBUEL board is requested to note that the published policy in its future annual report and accounts will accordingly be that of an employer of a number of staff.

Regards,

James Stevenson

**Company Registration No. 2307211**

**South Bank University Enterprises Limited**

**Report and Financial Statements**

**31 July 2011**

# **South Bank University Enterprises Limited**

## **Report and financial statements 2011**

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# **South Bank University Enterprises Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

Mr Richard Flatman (Chairman)

Dr Ed Tinley (Managing Director)

Ms Bev Jullien

Dr Andy Tilbrook

#### **Secretary**

Ms Sarah Priestman

#### **Registered Office**

103 Borough Road  
London  
SE1 0AA

#### **Bankers**

Natwest  
City of London Office  
1 Princes Street  
London  
EC2R 8PA

#### **Solicitors**

Muckle  
Time Central  
32 Gallowgate  
Newcastle upon Tyne  
NE1 4BF

#### **Auditors**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU

# **South Bank University Enterprises Limited**

## **Company Registration No. 2307211**

### **Directors' report**

#### **Ownership**

The Company is a wholly owned subsidiary of London South Bank University.

#### **Review of Activities**

The Company's principal activities are consultancy, research contracts, the hire of facilities, and property letting. In addition, the Company is involved with the protection and commercialisation of Intellectual Property (IP) arising out of the University's research activities.

During the year the Company continued to meet the patent application costs relating to its technology licences and in support of new start-up companies in which the Company has an interest.

#### **Result for the year**

Turnover of £2,162,067 was 17.5% greater than 2010, due in particular to an increase in contract research income and the planned increase in use of the University's infrastructure for external hire.

The operating profit margin increased from 21% in 2010 to 25% in 2011. This resulted from higher margins on external hire income and an increased surplus from consultancy activity.

Patent costs incurred in support of the Company's licences, company start ups and new opportunities continue to be a significant part of the Company's annual expenditure.

#### **Future Prospects**

The Company foresees trading conditions remaining challenging over the next 12 months. Strong competition from other universities and external organisations, allied to generally tight trading conditions and cutbacks in Central and Local Government expenditure, are expected to impact upon the Company's activities and income. Restructuring of certain areas across the University will also have an impact on the Company's activity and results. Growing research and innovation links with commercial organisations, especially large businesses, remains a priority. The Company is also exploring options for increasing the effectiveness and efficiency of delivery of its products and services with the University. The Company will continue to support the protection of and commercialisation of selective intellectual property arising from the University's staff and increasingly its students.

#### **Directors' Interests**

No Director had any interest in any contract which subsisted during the period of the report, other than in the ordinary course of the Company's business, as a full-time member of the University's staff.

No Director had any interests in the shares of the Company or any other group company.

#### **Employment Policy**

The Company has not appointed any employees during the year; all persons associated with the Company are employees of London South Bank University.

The Company, being a wholly owned subsidiary of London South Bank University, has the same policy on employment as its parent organisation.

#### **Disclosure of information to auditors**

At the date of making this report each of the Directors, as set out on page 1, confirm the following:

- So far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware, and;

**South Bank University Enterprises Limited**  
**Company Registration No. 2307211**

**Directors' report**

- Each Director has taken all the steps that he ought to have taken as a Director in order to make himself or herself aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

**Auditors**

A resolution to reappoint Grant Thornton UK LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

**Approval**

Authorised and approved by the Board of Directors and signed on behalf of the Board by:

Mr Richard Flatman  
Chairman and Director  
14 November 2011

# **South Bank University Enterprises Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 judgments 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 adequate accounting records that 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



## **Independent Auditor's Report to the Members of South Bank University Enterprises Limited**

We have audited the financial statements of South Bank University Enterprises Limited for the year ended 31 July 2011 which comprise the profit and loss account, the balance sheet, the principal accounting policies and 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on 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 July 2011 and of its loss 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 Auditor's Report to the Members of South Bank University Enterprises 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.

Judith Newton

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Milton Keynes

24 November 2011

## South Bank University Enterprises Limited

### Profit and loss account Year ended 31 July 2011

	Note	2011 £	2010 £
<b>Turnover</b>	1	2,162,067	1,840,702
Cost of sales		(1,514,950)	(1,407,213)
<b>Gross profit</b>		<u>647,116</u>	<u>433,489</u>
Administrative expenses		(105,798)	(46,423)
<b>Operating profit</b>	2	541,319	387,066
Interest receivable	4	6,036	12,139
Interest payable	5	(1,290)	(1,290)
<b>Profit on ordinary activities before Gift Aid for the financial year</b>		<u>546,065</u>	<u>397,915</u>
Gift Aid	6	(559,886)	(404,418)
<b>Loss on ordinary activities after Gift Aid for the financial year</b>		<u>(13,821)</u>	<u>(6,503)</u>
Tax on profits on ordinary activities	7	-	-
<b>Loss on ordinary activities after taxation for the financial year</b>		<u>(13,821)</u>	<u>(6,503)</u>

All activities relate to continuing operations.

There are no gains or losses other than those reported in the profit and loss account.

# South Bank University Enterprises Limited

## Balance sheet As at 31 July 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Investments	8	<u>69</u>	<u>69</u>
<b>Current assets</b>			
Debtors	9	92,854	402,238
Cash at bank and in hand		<u>1,374,631</u>	<u>298,871</u>
		1,467,485	701,109
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,841,325)</u>	<u>(1,061,128)</u>
<b>Net current liabilities</b>		<u>(373,840)</u>	<u>(360,019)</u>
<b>Total assets less current liabilities</b>		(373,771)	(359,950)
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(215,000)</u>	<u>(215,000)</u>
<b>Net liabilities</b>		<u>(588,771)</u>	<u>(574,950)</u>
<b>Capital and reserves</b>			
Called up share capital	12	5	5
Profit and loss account	13	<u>(588,776)</u>	<u>(574,955)</u>
<b>Total equity shareholders' deficit</b>		<u>(588,771)</u>	<u>(574,950)</u>

These financial statements were authorised and approved by the Board of Directors on 14 November 2011.

Signed on behalf of the Board of Directors

Mr Richard Flatman, Chairman and Director

# South Bank University Enterprises Limited

## Principal accounting policies Year ended 31 July 2011

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are consistent with those adopted in the prior year and are described below.

### Accounting Convention

The accounts have been prepared under the historical cost convention.

### Going Concern

The company has made a loss in the year and has net liabilities at the year-end. The company has obtained assurance from its parent, London South Bank University, that it will be provided with support to settle the company's liabilities as they fall due. Therefore the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

### Turnover

Turnover, net of value added tax, comprises of sales in relation to consultancy work, contract research, sale of materials and letting facilities.

### Cost of Sales

Cost of sales comprises costs of consultancy work, contract research, sale of materials and letting facilities.

### Fixed Asset Investments

Investments are carried at cost, less provision for any impairment in value.

### Cash Flow Statement

As a wholly owned subsidiary, the company is exempt under Financial Reporting Standard number 1 "Cash flow statements" from the requirement to prepare a cash flow statement. The cash flows of the company are included in the consolidated accounts.

### Taxation

The Company makes a Gift Aid payment to London South Bank University sufficient to reduce its taxable profit for the year to zero. Taxable profit differs from the net profit/(loss) as reported in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

# South Bank University Enterprises Limited

## Notes to the accounts Year ended 31 July 2011

### 1. Turnover

Turnover and pre-tax profits are attributable to the principal activities of the Company. An analysis of turnover by geographical destination is as follows:

	2011	2010
	£	£
United Kingdom	2,101,903	1,780,994
Other European countries	11,000	18,000
North America	46,750	41,708
China	2,414	-
	<u>2,162,067</u>	<u>1,840,702</u>

### 2. Operating profit

	2011	2010
	£	£
<b>Operating profit is stated after charging</b>		
Fees payable to the Company's auditor:		
- for the audit of the financial statements	3,500	3,500
- for other services – taxation	3,250	3,987
Management charge	22,838	21,476
	<u>29,588</u>	<u>18,963</u>

### 3. Staff costs

The Company has no employees (2010: nil). All persons associated with the Company are employees of London South Bank University. The directors received no remuneration from the company (2010: nil).

### 4. Interest receivable

	2011	2010
	£	£
Bank interest receivable	6,036	12,139
	<u>6,036</u>	<u>12,139</u>

### 5. Interest Payable

	2011	2010
	£	£
Loan from London South Bank University	1,290	1,290
	<u>1,290</u>	<u>1,290</u>

### 6. Payment under Gift Aid

For the year ending 31 July 2011 the company has approved payment of £559,886 of its taxable profit under the Gift Aid scheme to London South Bank University (2010: £404,418).

# South Bank University Enterprises Limited

## Notes to the accounts Year ended 31 July 2011

### 7. Taxation

The 2011 tax charge is 27.33% (2010: 28 %).

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(13,821)	(6,503)
Taxation on loss on ordinary activities	(3,777)	(1,821)
Effects of:		
Expenses not deductible for taxation purposes	5,426	3,932
Capital allowances in excess of depreciation	(1,648)	(2,111)
Utilisation of tax losses and other deductions	(1)	-
Current tax	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances and trading losses as there is insufficient evidence that the asset will be recovered.

The amount of the asset not recognised is £26,602 (2010: £30,336).

The asset would be recovered if suitable taxable profits were to arise in the future against which the asset could be offset.

### 8. Fixed Asset Investments

At 1 August 2010	£ 69
At 31 July 2011	£ 69

Details of companies, all registered in England, in which South Bank University Enterprises Limited holds more than 20% of the nominal ordinary share capital are as follows:

Name of company	Percentage holding of ordinary shares	Nature of business	Date of last accounts	Profit	Reserves
				£	£
Biox Systems Limited	24%	Development of medical products	31 Oct 2010	30,089	81,910
London Knowledge Innovation Centre Ltd	50%	Start-up business incubator	31 Mar 2011	-	334

# South Bank University Enterprises Limited

## Notes to the accounts Year ended 31 July 2011

### 9. Debtors

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	81,333	271,943
Prepayments and accrued income	6,924	104,141
Other debtors	4,597	26,154
	<u>92,854</u>	<u>402,238</u>

### 10. Creditors: amounts falling due within one year

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	14,359	45,189
Amounts owed to parent company	1,184,453	597,366
Other creditors	3,993	1,479
Accruals and deferred income	638,520	417,094
	<u>1,841,325</u>	<u>1,061,128</u>

### 11. Creditors: amounts falling due after more than one year

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loan from parent company due within 2-5 years	<u>215,000</u>	<u>215,000</u>

The loan from London South Bank University is unsecured.

The loan agreement specifies that interest will accrue on the outstanding loan balance at a rate of 0.1% above the Bank of England base rate. Interest has been calculated on this basis. (2010: on the same basis).

The parent company has indicated that it will not seek repayment of this loan to the detriment of other creditors.

### 12. Called up share capital

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Authorised:</b>		
1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
5 ordinary shares of £1 each	<u>5</u>	<u>5</u>



# South Bank University Enterprises Limited

## Notes to the accounts Year ended 31 July 2011

### 13. Movement on total reserves

	Share capital	Profit and loss account	Total shareholders deficit
	£	£	£
At 1 August 2010	5	(574,955)	(574,950)
Loss on ordinary activities after taxation for the financial year	-	(13,821)	(13,821)
<b>At 31 July 2011</b>	<b>5</b>	<b>(588,776)</b>	<b>(588,771)</b>

### 14. Related party transactions

The Company has taken advantage of the exemption which is conferred by Financial Reporting Standard number 8 “Related Party Disclosures” that allows it not to disclose transactions with group undertakings whose voting rights are wholly controlled within the group.

### 15. Ultimate parent company

South Bank University Enterprises Ltd is a wholly owned subsidiary of London South Bank University, a company limited by guarantee, incorporated in Great Britain and registered in England and Wales.

London South Bank University is the ultimate parent and controlling company and is the parent company of the only group of which the company is a member for which consolidated financial statements are prepared. The consolidated financial statements of London South Bank University can be obtained from 103 Borough Road, London, SE1 0AA.



Our Ref  
Your Ref JN/CNH/EEK/SBUEL2011

Grant Thornton UK LLP  
202 Silbury Boulevard  
Central Milton Keynes  
MK9 1LW

14 November 2011

Dear Sirs

**Financial Statements for the Year Ended 31 July 2011**

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other directors with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements, in accordance with the terms of your engagement letter dated 10 September 2009.

- i As set out in the Statement of Directors' Responsibilities on page 4, we acknowledge our responsibilities for preparing financial statements which give a true and fair view and for making accurate representations to you.
- ii As far as we are aware:
  - there is no relevant audit information of which you are unaware; and
  - we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.
- iii All the accounting records of the company have been made available to you for the purpose of your audit and all the transactions undertaken by the company have been properly recorded in the accounting records and reflected in the financial statements.
- iv All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.
- v The financial statements are free of material misstatements, including omissions.
- vi We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- vii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- viii We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- ix We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former

employees, analysts, regulators or others.

- x Except as stated in the accounts:
  - there are no unrecorded liabilities, actual or contingent
  - none of the assets of the company has been assigned, pledged or mortgaged
  - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xi There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving directors or officers that should be disclosed in the financial statements under sections 412 and 413 of the Companies Act 2006.
- xii All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements except as disclosed in note 14.
- xiii There are no claims, legal proceedings or other matters which may lead to a loss falling on the company or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements.
- xiv The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- xv We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- xvi We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xvii No significant events having an effect on the financial position of the company have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto.
- xviii We have not adjusted the misstatements brought to our attention on the audit differences and adjustments summary, attached to this letter, as they are immaterial to the results of the company and financial position at the year-end.

Yours faithfully

Mr Richard Flatman  
Chairman and Director

2010/11 FULL YEAR ACTUAL				PROFIT & LOSS ACCOUNT SOUTH BANK UNIVERSITY ENTERPRISES LTD YEAR TO DATE	2011/12 YTD ACTUAL				2011/12 YTD BUDGET				2011/12 VARIANCE TO BUDGET			
TOTAL £	CONSULT- ANCY £	CONTRACT RESEARCH £	OTHER £		TOTAL £	CONSULT- ANCY £	CONTRACT RESEARCH £	OTHER £	TOTAL £	CONSULT- ANCY £	CONTRACT RESEARCH £	OTHER £	TOTAL £	CONSULT- ANCY £	CONTRACT RESEARCH £	OTHER £
2,168,102	588,499	801,794	777,809	<b>TOTAL INCOME</b>	383,439	49,211	175,958	158,270	337,945	13,875	146,875	177,195	45,494	35,336	29,083	(18,925)
688,880	210,149	417,736	60,995	<b>DIRECT EXPENSES (EXTERNAL)</b>	134,416	10,994	107,601	15,821	108,010	750	104,523	2,737	(26,406)	(10,244)	(3,078)	(13,084)
42,703	10,245	32,458	-	Salaries	11,750	11,750	-	-	-	-	-	-	(11,750)	(11,750)	-	-
251,743	29,124	98,290	124,330	Consultancy	24,003	7,023	11,558	5,423	33,556	1,875	16,875	14,806	9,553	(5,148)	5,317	9,383
58,965			58,965	Other expenses	2,729			2,729	20,000			20,000	17,271	-	-	17,271
				Intellectual Property												
<b>1,042,292</b>	<b>249,518</b>	<b>548,484</b>	<b>244,290</b>	<b>TOTAL DIRECT EXPENDITURE</b>	<b>172,898</b>	<b>29,767</b>	<b>119,159</b>	<b>23,972</b>	<b>161,566</b>	<b>2,625</b>	<b>121,398</b>	<b>37,543</b>	<b>(11,332)</b>	<b>(27,142)</b>	<b>2,239</b>	<b>13,571</b>
<b>1,125,811</b>	<b>338,981</b>	<b>253,310</b>	<b>533,519</b>	<b>GROSS PROFIT</b>	<b>210,541</b>	<b>19,444</b>	<b>56,799</b>	<b>134,298</b>	<b>176,379</b>	<b>11,250</b>	<b>25,477</b>	<b>139,652</b>	<b>34,162</b>	<b>8,194</b>	<b>31,322</b>	<b>(5,354)</b>
52%	58%	32%	69%	% of total income	55%	40%	32%	85%	52%	81%	17%	79%	75%	23%	108%	28%
472,659	181,940	286,897	3,822	<b>LSBU RECHARGES **</b>	73,497	12,961	60,164	372	-	-	-	-	(73,497)	(12,961)	(60,164)	(372)
-				University charge on invoices	-				-				-			-
1,290			1,290	Management charge	-				-				-			-
				Loan interest												
<b>473,949</b>	<b>181,940</b>	<b>286,897</b>	<b>5,112</b>	<b>TOTAL LSBU RECHARGES</b>	<b>73,497</b>	<b>12,961</b>	<b>60,164</b>	<b>372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73,497)</b>	<b>(12,961)</b>	<b>(60,164)</b>	<b>(372)</b>
<b>651,862</b>	<b>157,041</b>	<b>(33,587)</b>	<b>528,408</b>	<b>PROFIT/LOSS BEFORE ADMINISTRATIVE EXPENSES</b>	<b>137,044</b>	<b>6,483</b>	<b>(3,364)</b>	<b>133,925</b>	<b>176,379</b>	<b>11,250</b>	<b>25,477</b>	<b>139,652</b>	<b>(39,335)</b>	<b>(4,767)</b>	<b>(28,841)</b>	<b>(5,727)</b>
30%	27%	-4%	68%	% of total income	36%	13%	-2%	85%	52%	81%	17%	79%	-86%	-13%	-99%	30%
45,549				<b>ADMINISTRATIVE EXPENSES (EXTERNAL)</b>	-				-				-			
47,773				Bad debts (increase in provision)	6,249				6,135				(114)			
12,475				Salaries	1,862				1,500				(362)			
				Other operational expenses												
<b>105,798</b>				<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>8,112</b>				<b>7,635</b>				<b>(477)</b>			
<b>546,064</b>				<b>PROFIT/LOSS AFTER ADMINISTRATIVE EXPENSES</b>	<b>128,933</b>				<b>168,744</b>				<b>(39,811)</b>			

\* Profit before Gift Aid

\*\* intercompany charges that will cancel out on consolidation