

UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
YEAR ENDED 31 JULY 1998  
(Registered Number: 2096876)



**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**DIRECTORS' REPORT**

The Directors submit their report and the audited accounts for the year ended 31 July 1998.

**REGISTERED OFFICE**

Sun Alliance House, 35 Mosley Street, Newcastle upon Tyne NE1 1XX.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The company provides The University of Newcastle upon Tyne with gas and electricity supplies which it procures via third party supply agreements. In addition the company leases assets to The University of Newcastle upon Tyne.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation is £45,748 (1997 - £40,417). The directors do not recommend the payment of a dividend (1997: nil).

**DIRECTORS**

The following were directors of the company during the year:

DET Nicholson  
HB Farnhill  
SF Henderson  
ML Ranson

None of the directors has a beneficial interest in the shares of the company.

**STATEMENT OF 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 period. 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;
- state whether applicable 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 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.

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**AUDITORS**

The auditors, PricewaterhouseCoopers, have indicated their willingness to be re-appointed (having previously been appointed by the Board to fill the casual vacancy arising by reason of the resignation of Price Waterhouse). A resolution as to their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



Ever Nominees Two Limited  
Company Secretary

29 September 1998

**AUDITORS' REPORT TO THE MEMBERS OF  
UNIVERSITY OF NEWCASTLE UPON TYNE SUPPLY COMPANY LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 affairs of the company as at 31 July 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants  
and Registered Auditors  
Newcastle upon Tyne

29 September 1998

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1998**

	<u>Note</u>	<u>1998</u> £	<u>1997</u> £
<b>TURNOVER</b>			
Cost of sales	1(b)	1,867,021 (1,814,086)	2,191,595 (2,154,995)
<b>GROSS PROFIT</b>			
Administration expenses		52,935 (15,415)	36,600 (11,242)
<b>OPERATING PROFIT</b>			
Interest receivable		37,520 8,228	25,358 15,059
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	45,748	40,417
Taxation	2	-	-
<b>PROFIT TRANSFERRED TO RESERVES</b>	7	£45,748	£40,417

The company has no recognised gains or losses, other than those included within the profit and loss account.

There is no difference between reported and historical cost profits.

Turnover and operating profit relates entirely to continuing operations.

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**BALANCE SHEET AT 31 JULY 1998**

	<u>Note</u>	<u>1998</u>	<u>1997</u>
		£	£
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	3	2,136,433	3,487,542
Debtors (amounts falling due after more than one year)	4	718,796	828,606
Cash at bank and in hand		138,137	79,145
		<u>2,993,366</u>	<u>4,395,293</u>
<b>CREDITORS (amounts falling due within one year)</b>	5	<u>(2,800,172)</u>	<u>(4,247,847)</u>
<b>NET CURRENT ASSETS</b>		<u>£193,194</u>	<u>£147,446</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	6	20,100	20,100
Profit and loss account	7	<u>173,094</u>	<u>127,346</u>
<b>SHAREHOLDERS' FUNDS</b>	8	<u>£193,194</u>	<u>£147,446</u>

The accounts on pages 4 to 8 were approved by the board on 29 September 1998 and signed on its behalf by

  
ML Ranson Director

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 1998**

**1 ACCOUNTING POLICIES**

**(a) Accounting convention**

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

**(b) Turnover**

Turnover represents amounts invoiced exclusive of Value Added Tax.

**(c) Finance leases**

The company leases assets to The University of Newcastle upon Tyne under finance leases. Income from finance leases is credited to the profit and loss account in proportion to the funds invested. Finance lease receivables are stated in the balance sheet at the net investment in the leases after deduction of unearned charges.

**(d) Deferred tax**

Provision is made for deferred tax under the liability method where the liability is expected to crystallise in the future.

**2 PROFIT ON ORDINARY ACTIVITIES**

Profit on ordinary activities is stated after charging/(crediting):

	<u>1998</u> £	<u>1997</u> £
Interest receivable under finance leases	(51,531)	(35,040)
Management charges	15,000	11,000
	<u>          </u>	<u>          </u>

The company has no employees (1997: nil).

None of the directors received any remuneration during the year (1997: nil).

Finance leases:

Aggregate rentals receivable in the year is £136,865 (1997 : £91,195).

Assets acquired in the year is £6,766 (1997 : £337,933).

**Taxation**

There is no taxation charge for the year as the company is utilising trading losses carried forward from prior years.

**3 DEBTORS (amounts falling due within one year)**

	<u>1998</u> £	<u>1997</u> £
Loan to ultimate parent undertaking	1,830,000	2,480,000
Amounts owed by ultimate parent undertaking	436	114,317
Taxation recoverable	-	65,348
Prepayments and accrued income	214,487	767,609
Amounts receivable under finance leases	91,510	60,268
	<u>          </u>	<u>          </u>
	<u>£2,136,433</u>	<u>£3,487,542</u>

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 1998 (continued)**

**4 DEBTORS (amounts falling due after more than one year)**

	<u>1998</u> £	<u>1997</u> £
Amounts receivable under finance leases	£718,796	£828,606
	<u>                    </u>	<u>                    </u>

**5 CREDITORS (amounts falling due within one year)**

	<u>1998</u> £	<u>1997</u> £
Trade creditors	1,548	303,898
Payment received in advance	2,558,229	3,270,747
Amounts payable to ultimate parent undertaking	17,625	-
Other taxation and social security	6,541	-
Accruals and deferred income	216,229	673,202
	<u>                    </u>	<u>                    </u>
	£2,800,172	£4,247,847
	<u>                    </u>	<u>                    </u>

**6 EQUITY SHARE CAPITAL**

	<u>1998</u> £	<u>1997</u> £
Ordinary shares of £1 each Authorised	£50,000	£50,000
	<u>                    </u>	<u>                    </u>
Allotted and fully paid	£20,100	£20,100
	<u>                    </u>	<u>                    </u>

**7 RESERVES**

At 1 August 1997	127,346
Retained profit for the year	45,748
	<u>                    </u>
At 31 July 1998	£173,094
	<u>                    </u>

**8 RECONCILIATION OF MOVEMENT ON EQUITY SHAREHOLDERS' FUNDS**

	<u>1998</u> £	<u>1997</u> £
Opening shareholders' funds	147,446	107,029
Profit for the year	45,748	40,417
	<u>                    </u>	<u>                    </u>
Closing shareholders' funds	£193,194	£147,446
	<u>                    </u>	<u>                    </u>



**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 1998 (continued)**

**9 DEFERRED TAX**

The deferred taxation liability not provided in the accounts is:

	<u>1998</u> £	<u>1997</u> £
Losses	44,925	41,943
Accelerated capital allowances	(79,757)	(77,190)
	<hr/>	<hr/>
	£(34,832)	£(35,247)
	<hr/>	<hr/>

**10 ULTIMATE PARENT UNDERTAKING**

The parent undertaking of University of Newcastle upon Tyne Supply Company is Newcastle University Holdings Limited which itself is a wholly owned subsidiary of The University of Newcastle upon Tyne.

Accounts of The University of Newcastle upon Tyne can be obtained from:

The Director of Finance  
The University of Newcastle upon Tyne  
3 Park Terrace  
Newcastle upon Tyne  
NE1 7RU

Transactions with The University of Newcastle upon Tyne are not disclosed as the company has taken advantage of the exemption under Financial Reporting Standard No.8 "Related Party Disclosures" as the consolidated accounts of The University of Newcastle upon Tyne in which the company is included are available at the address noted above.