

REGISTRAR

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UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
YEAR ENDED 31 JULY 1997  
(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 1997.

**REGISTERED OFFICE**

18 Windsor Terrace, Newcastle upon Tyne, NE2 4HE.

**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.

The company traded successfully in the year and its prospects will improve as it eventually takes on the supply of all the University's energy requirements.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation is £40,417 (1996 - £43,202). The directors do not recommend the payment of a dividend (1996: 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

DIRECTORS' REPORT (continued)

AUDITORS

The auditors, Price Waterhouse have indicated their willingness to be re-appointed and a resolution as to their re-appointment and remuneration will be proposed at the Annual General Meeting.

By Order of the Board



Colin J Thurgar-Dawson  
Company Secretary

21 October 1997

## 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.

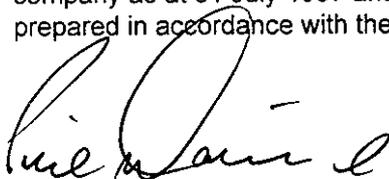
### Basis of opinion

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PRICE WATERHOUSE**  
Chartered Accountants  
and Registered Auditors  
Newcastle upon Tyne

21 October 1997

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

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1997**

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<b>TURNOVER</b>	1(b)	2,191,595	2,252,610
Cost of sales		(2,154,995)	(2,224,573)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		36,600	28,037
Administration expenses		(11,242)	(12,188)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		25,358	15,849
Interest receivable		15,059	27,353
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	40,417	43,202
Taxation	3	-	-
		<hr/>	<hr/>
<b>PROFIT TRANSFERRED TO RESERVES</b>	8	£40,417	£43,202
		<hr/> <hr/>	<hr/> <hr/>

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.

UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED

BALANCE SHEET AT 31 JULY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	4	3,487,542	3,260,555
Debtors (amounts falling due after more than one year)	5	828,606	564,949
Cash at bank and in hand		79,145	528,088
		<u>4,395,293</u>	<u>4,353,592</u>
<b>CREDITORS (amounts falling due within one year)</b>	6	<b>(4,247,847)</b>	<b>(4,246,563)</b>
		<u>£147,446</u>	<u>£107,029</u>
<b>NET CURRENT ASSETS</b>			
		<u>£147,446</u>	<u>£107,029</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	7	20,100	20,100
Profit and loss account	8	127,346	86,929
		<u>£147,446</u>	<u>£107,029</u>
<b>SHAREHOLDERS' FUNDS</b>			
	9	<u>£147,446</u>	<u>£107,029</u>

The accounts on pages 4 to 8 were approved by the board on 21 October 1997 and signed on its behalf by

  
HB Farnhill Director

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

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 1997**

**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. These leases are treated in accordance with the lessor provisions of Statement of Standard Accounting Practice Number 21.

**(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>1997</u> £	<u>1996</u> £
Amounts due under finance leases	(35,040)	(26,488)
Management charges	11,000	10,750
	<u>                    </u>	<u>                    </u>

The company has no employees (1996: nil).

None of the directors received any remuneration during the year (1996: nil).

**3 TAXATION**

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

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

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 1997 (continued)**

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

	<u>1997</u> £	<u>1996</u> £
Loan to ultimate parent undertaking	2,480,000	2,850,000
Amounts owed by ultimate parent undertaking	114,317	871
Taxation recoverable	65,348	42,682
Prepayments	765,145	318,968
Amounts recoverable under finance leases	60,268	42,147
Accrued income	2,464	5,887
	<hr/>	<hr/>
	£3,487,542	£3,260,555
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>1997</u> £	<u>1996</u> £
Amounts recoverable under finance leases	£828,606	£564,949
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**6 CREDITORS (amounts falling due within one year)**

	<u>1997</u> £	<u>1996</u> £
Trade creditors and accruals	977,100	505,961
Payment received in advance	3,270,747	3,740,143
Amounts payable to ultimate parent undertaking	-	459
	<hr/>	<hr/>
	£4,247,847	£4,246,563
	<hr/> <hr/>	<hr/> <hr/>

**7 EQUITY SHARE CAPITAL**

	<u>1997</u> £	<u>1996</u> £
Ordinary shares of £1 each Authorised	£50,000	£50,000
	<hr/> <hr/>	<hr/> <hr/>
Allotted and fully paid	£20,100	£20,100
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**8 RESERVES**

At 1 August 1996	86,929
Retained profit for the year	40,417
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At 31 July 1997	£127,346
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**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 1997 (continued)**

**9 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS**

	<u>1997</u> £	<u>1996</u> £
Opening shareholders' funds	107,029	63,827
Profit for the year	40,417	43,202
	<hr/>	<hr/>
Closing shareholders' funds	£147,446	£107,029
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**10 DEFERRED TAX**

The deferred taxation liability not provided in the accounts is:

	<u>1997</u> £	<u>1996</u> £
Losses	41,943	20,563
Accelerated capital allowances	(77,190)	(47,174)
	<hr/>	<hr/>
	£(35,247)	£(26,611)
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**11 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.