

**OXFORD
BROOKES
UNIVERSITY**



Oxford Brookes Enterprises Limited

Financial statements

year ended 31 July 2002

Registration number: 2299189



Oxford Brookes Enterprises Limited
Accounts for the year ended 31 July 2002

Contents	Page
Report of the directors.....	2
Independent auditors' report	4
Profit and loss account	5
Balance sheet as at 31 July 2002.....	6
Notes to the Financial Statements.....	7

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Report of the directors

The directors present their report and the audited financial statements for the year ended 31 July 2002.

Principal activities and business review

The principal activities of the company consist of the provision of library, conference, printing, Healthcare contracts and consultancy services and the development of student residences.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future. The majority of taxable profits of the company are gift aided to Oxford Brookes University.

The company has been contracted to build the new student accommodation at Marston Road by Oxford Brookes University.

The profit and loss account for the year is set out on page 5.

Dividends

The directors do not recommend the payment of a dividend.

Fixed assets

The movements in fixed assets are set out in note 9 to the financial statements.

Directors

The directors of the company at 31 July 2002 were as follows:

G. Upton

D. Bloch (appointed 1 July 2002)

R. Knight (appointed 1 July 2002)

J. Bradshaw and B. Summers resigned as directors on 30 June 2002.

Directors' interests in shares of the company

None of the directors held any beneficial interests in shares of the company at 31 July 2002 or 31 July 2001.

Directors' interests in contracts

None of the directors had a material interest in any contract of significance to which the company was a party during the year.

Political and charitable contributions

No political or charitable contributions were made during the year.

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Employees

Oxford Brookes University maintains insurance for its subsidiary and associated company directors in respect of their duties as directors of those companies.

Close company

As far as the directors are aware the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company. There has been no change in this respect since the end of the financial year.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

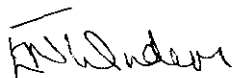
The directors confirm that suitable accounting policies have been used and applied consistently and reasonably and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

The company passed an elective resolution not to reappoint auditors annually. However, Blueprint Audit Limited, the auditors of the parent organisation (Oxford Brookes University), have agreed to carry out the audit of the company's accounts.

By order of the board



E. Winders

Company Secretary

Date: 13th December 2002

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

**Independent auditors' report
to the members of
Oxford Brookes Enterprises Limited**

We have audited the financial statements on pages 5 to 13 for the year ended 31 July 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

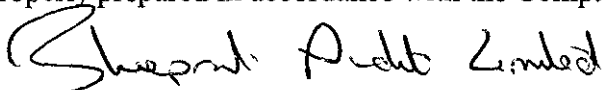
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 group and 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 2002 and of the result of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


Blueprint Audit Limited
Registered Auditor

Date : 26 February 2003
Basingstoke

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Profit and loss account

	Notes	2002 £	2001 £
Turnover	2	12,508,234	11,822,532
Cost of sales		(12,276,722)	(11,782,669)
Gross profit		<u>231,512</u>	<u>39,863</u>
Administrative expenses		(25,958)	(54,260)
Operating profit		<u>205,554</u>	<u>(14,397)</u>
Interest receivable	6	-	18,197
Interest payable	6	(2,309)	-
Profit on ordinary activities	3	203,245	3,800
Amount paid under deed of covenant	7	(18,197)	-
Corporation tax	8	-	-
Profit/(loss) for the year after tax		<u>185,048</u>	<u>3,800</u>

Statement of profit and loss account

At 1 August 2001	(292,866)	(296,666)
Profit/(loss) for the year	185,048	3,800
At 31 July 2002	<u>(107,818)</u>	<u>(292,866)</u>

All the above results relate wholly to continuing operations.

The company has no recognised gains and losses other than the profits stated above and therefore no separate statement of total recognised gains and losses has been presented.

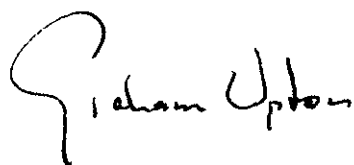
There is no difference between the profit for the year after tax stated above and its historical cost equivalent.

Oxford Brookes Enterprises Limited
Accounts for the year ended 31 July 2002

Balance sheet as at 31 July 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	9	<u>1,972,139</u>	2,084,060
Current assets			
Stocks and Building Work in Progress	10	5,109,634	418,811
Debtors	11	1,275,925	1,370,553
Loan to parent organisation		-	1,000,000
Cash at bank and in hand		<u>1,317,844</u>	1,336,830
		7,703,403	4,126,194
Creditors: amounts falling due within one year	12	<u>(8,783,260)</u>	(5,503,020)
Net current liabilities		<u>(1,079,857)</u>	(1,376,826)
Total assets less current liabilities		<u>892,282</u>	707,234
 Net assets		 <u>892,292</u>	 707,234
Capital and reserves			
Share capital	13	1,000,100	1,000,100
Profit and loss account		<u>(107,818)</u>	(292,866)
Shareholders' funds	14	<u>892,282</u>	707,234

These financial statements were approved by the board on 13 December 2002 and signed on its behalf by:



G. Upton Director



D. Bloch Director

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Building improvements	10-50 years
Equipment, fixtures and fittings	5 years
Computer equipment	3-5 years
Motor vehicles	5 years

(c) Taxation

The company is liable to corporation tax based on the profit for the year as adjusted for disallowable items. However, profits are generally covenanted to Oxford Brookes University thereby reducing or eliminating corporation tax charges.

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19. Deferred tax is provided in respect of timing differences between the treatment of certain items for taxation and accounting purposes.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment.

(d) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet state.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

All differences are taken to the profit and loss account.

(e) Pension schemes

Employer's pension contributions recharged by Oxford Brookes University are charged to the profit and loss account in the period to which the salaries on which they are payable relate.

Full details of these schemes are contained in Note 16.

(f) Stock

Stock is held at the lower of cost and net realisable value.

2. Turnover

Turnover represents the invoiced amount of services provided and goods sold (net of Value Added Tax).

All turnover originates in the UK. A geographical analysis of turnover by destination is given below:

	2002	2001
	£	£
United Kingdom	12,405,152	11,712,104
Other countries	103,082	110,428
	<u>12,508,234</u>	<u>11,822,532</u>

3. Profit on ordinary activities

This is stated after charging:

	2002	2001
	£	£
Auditors' remuneration	4,000	3,500
Depreciation	156,755	238,132

4. Employment costs

All the company's payroll expenses are paid through its parent organisation, Oxford Brookes University. The amounts recharged for the year are as follows:

	2002	2001
	£	£
Wages and salaries	2,326,083	2,138,900
Social security costs	134,349	138,424
Other pension costs (Note 15)	168,200	173,929
	<u>2,628,632</u>	<u>2,451,253</u>

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

5. Directors' emoluments

Two of the directors receive remuneration from Oxford Brookes University in respect of their duties relating to the University. No amounts are paid to either director in respect of Oxford Brookes Enterprises Limited.

6. Interest

	2002 £	2001 £
Bank interest receivable	-	18,197
Other interest receivable	-	0
Other Interest Payable	(2,309)	-
	<u>(2,309)</u>	<u>18,197</u>

7. Deed of covenant

The company has signed a deed of covenant agreeing to pay an amount equal to the lower of its accounts and taxable profits for the year to Oxford Brookes University.

8. Corporation tax

	2002 £	2001 £
UK corporation tax at 20%	-	-

No provision has been made for deferred taxation in these financial statements due to the intention of the company to covenant taxable profits to its parent.

9. Fixed assets - tangible

	Freehold Building improvements £	Leasehold Buildings £	Computer equipment £	Fixtures & fittings & Motor Veh. £	Motor vehicles £	Total £
Cost						
At 1 August 2001	1,796,988	237,530	540,573	428,676	76,636	3,080,403
Re-categorise	-	-	-	76,636	(76,636)	-
Additions	-	-	23,144	21,690	-	44,834
At 31 July 2002	<u>1,796,988</u>	<u>237,530</u>	<u>563,717</u>	<u>527,002</u>	<u>-</u>	<u>3,125,237</u>
Depreciation						
At 1 August 2001	(66,489)	(38,377)	(483,888)	(335,041)	(72,548)	(996,343)
Re-categorise	-	-	-	(72,548)	72,548	-
Charge for the year	(36,201)	(23,898)	(55,454)	(41,202)	-	(156,755)
At 31 July 2002	<u>(102,690)</u>	<u>(62,275)</u>	<u>(539,342)</u>	<u>(448,791)</u>	<u>-</u>	<u>(1,153,098)</u>
Net book value						
At 31 July 2002	<u>1,694,298</u>	<u>175,255</u>	<u>24,375</u>	<u>78,211</u>	<u>-</u>	<u>1,972,139</u>
At 31 July 2001	<u>1,730,499</u>	<u>199,153</u>	<u>56,685</u>	<u>93,635</u>	<u>4,088</u>	<u>2,084,060</u>

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

10. Stocks

	2002	2001
	£	£
Raw materials and consumables	104,634	110,348
Work in progress	5,005,000	308,463
	<u>5,109,634</u>	<u>418,811</u>

11. Debtors

	2002	2001
	£	£
Trade debtors	1,275,925	1,352,830
Taxation	-	17,723
	<u>1,275,925</u>	<u>1,370,553</u>

All the above amounts are due within one year of the Balance Sheet date.

12. Creditors: amounts falling due within one year

	2002	2001
	£	£
Payments received in advance	141,654	110,866
Amount due to parent organisation	7,145,549	5,276,144
Other creditors	1,496,057	115,990
	<u>8,783,260</u>	<u>5,503,020</u>

13. Share capital

Authorised, 1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>
Allotted, called up and fully paid 1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

14. Movement of shareholders' funds

	2002	2001
	£	£
Profit for the year	185,048	3,800
Opening shareholders' funds	707,234	703,434
Closing shareholders' funds	892,282	707,234

15. Capital commitments and contingent liabilities

There was a capital commitment in respect of the cost to completion of the Marston Road site of £9.883m at 31 July 2002.

16. Pension schemes

The three pension schemes for the company's staff are the Teachers' Pensions Scheme (TP), the Local Government Pension Scheme (LGPS) and the Universities Superannuation Scheme. These are independently administered schemes. The schemes are defined benefit schemes that are funded by contributions from the company and employees.

The Teachers' Pensions Scheme is valued every five years by the Government Actuary. Contributions are paid by the company at the rate specified by the Government Actuary. The Local Government Pension Scheme is valued every three years by a professionally qualified independent actuary, using the projected unit method. The rates of contribution are determined by the actuary.

The Universities Superannuation Scheme (USS) is a pension scheme that also provides benefits based on final pensionable salary. The assets of the Scheme are held in a separate trustee-administered fund. The pension valuation is assessed using the projected unit method. The level of contributions paid by the employing institutions takes into account the surpluses disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread the surplus in a prudent manner over the future working lifetime of current scheme members.

Pension summary

	TP	LGPS	USS
Latest actuarial valuation	31/3/96	31/3/01	31/3/99
Investment returns per annum	8.5%	6.85%	4.5%
Salary rate increase per annum	6.5%	4.3%	3.6%
Pension increase per annum	5.0%	2.5%	2.6%
Market value of assets at date of last valuation	£38,369m*	£685m	£18,870m
Proportion of members actual benefits covered by the actual valuation of the assets:	97.5%	91%	108%

Oxford Brookes Enterprises Limited
Accounts for the year ended 31 July 2002

Notes to the Financial Statements

* The assets of TP are notional assets.

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

The total pension cost for the company was:

	2002	2001
	£	£
Contributions to TP	6,677	4,797
Contributions to LGPS	159,545	140,943
Contributions to USS and other schemes	1,978	28,189
	<u>168,200</u>	<u>173,929</u>

The contributions of the institution are presently 8.35% of pensionable salary to TP and for LGPS since 1 April 2002 9.54% for salaried staff and 7.95% for manual staff. Between 1 April 2001 and 31 March 2002 the institution's contribution rates to the LGPS were 8.52% for salaried staff and 7.1% for manual staff.

FRS17 Disclosures

Teachers Pension Scheme (TPS)

Under the definitions set out in the Financial Reporting Standard (FRS) 17 Retirement Benefits, the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the University has used the exemption in FRS17 and contributions to the scheme and has accounted for its contribution to the scheme as if it were a defined contribution scheme. The University has set out above the information available on the deficit in the scheme. Employer funding rates to the scheme are to increase to 14% from 1 April 2003.

Local Government Pension Scheme (LGPS)

The LGPS is regulated by statute, with separate regulations for (a) England and Wales, and (b) Scotland. The benefits of the LGPS are determined nationally by regulation and meet the definition of a defined benefit scheme.

It is a funded scheme, with some 100 separate funds administered locally by administering authorities. Each fund has many employing authorities. The Oxfordshire County Council is the administering authority with the District Councils in their County being employing authorities within that scheme. Each fund will also have admitted bodies, such as education institutions, whose employees are members of the LGPS. The LGPS is not therefore a national multi-employer scheme, but each separate LGPS fund is a multi-employer scheme.

Full FRS17 disclosures for Brookes as a scheduled body can be found in the Oxford Brookes University consolidated financial statements.

Oxford Brookes Enterprises Limited

Accounts for the year ended 31 July 2002

Notes to the Financial Statements

17. Ultimate holding company

The company is a wholly owned subsidiary of Oxford Brookes University. A copy of the parent's consolidated financial statements may be obtained from the Deputy Director of Finance, Gipsy Lane, Headington, Oxford OX3 0BP.

18. Cash flow statement

A cash flow statement has not been included in the Financial Statements of the company as it is entitled to the exemption permitted by paragraph 5(a) of FRS1.

19. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 - Related Party Transactions not to disclose transactions with entities that are part of the group on the basis that the consolidated financial statements in which the company is included are publicly available.

No related party transactions with relevant individuals have been identified.