

**OXFORD
BROOKES
UNIVERSITY**

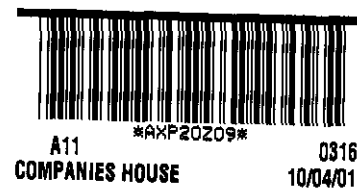


Oxford Brookes Enterprises Limited

Financial statements

year ended 31 July 2000

Registration number: 2299189



Oxford Brookes Enterprises Limited

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Oxford Brookes Enterprises Limited

Report of the directors for the year ended 31 July 2000

The directors present their report and the audited financial statements for the year ended 31 July 2000.

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 supply of energy.

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 covenanted to Oxford Brookes University.

During the year the company continued to supply energy to its parent organisation, the 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 2000 were as follows:

J. R. Bradshaw
G. Upton
B. J. Summers

S. Dexter resigned on 20 November 1999

Directors' interests in shares of the company

None of the directors held any beneficial interests in shares of the company at 31 July 2000 or 31 July 1999.

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

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 reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2000. 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.

PricewaterhouseCoopers have expressed their willingness to continue in office.

By order of the board



E. Winders

Company Secretary

Date:

2nd February 2001

Oxford Brookes Enterprises Limited

Report of the auditors to the members of Oxford Brookes Enterprises Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.


Basis of audit 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 the company's affairs at 31 July 2000 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
No 1 London Bridge
London SE1 9QL
Date: 29 March 2001

Oxford Brookes Enterprises Limited

Profit and loss account for the year ended 31 July 2000

	Notes	2000 £	1999 £
Turnover	2	8,005,043	5,114,394
Cost of sales		(8,179,796)	(4,909,453)
Gross profit		(174,753)	204,941
Administrative expenses		(144,013)	(67,933)
Operating profit		(318,766)	137,008
Interest receivable	6	4,430	15,289
Interest Payable		(53)	
Profit on ordinary activities	3	(314,389)	152,297
Amount paid under deed of covenant	7	-	(142,681)
Corporation tax	8	17,723	(9,616)
Profit/(loss) for the year after tax		(296,666)	-

Statement of profit and loss account

At 1 August 1999	-	-
Profit/(loss) for the year	(296,666)	-
At 31 July 2000	(296,666)	-

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.

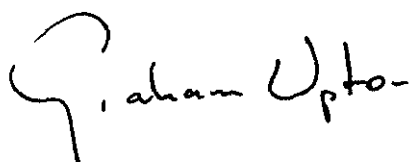
There is no difference between the profit for the year stated above and its historical cost equivalent.

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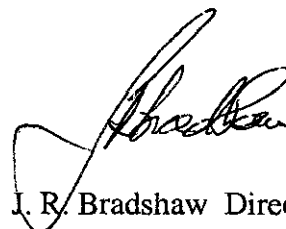
Balance sheet as at 31 July 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	9	<u>1,525,856</u>	883,792
Current assets			
Debtors	10	1,139,517	412,009
Loan to parent		1,000,000	-
Cash at bank and in hand		<u>402,105</u>	90,293
		<u>2,541,622</u>	502,302
Creditors: amounts falling due within one year	11	<u>(3,364,044)</u>	(1,385,994)
Net current liabilities		<u>(822,422)</u>	(883,692)
Total assets less current liabilities		<u>703,434</u>	100
 Net assets		 <u>703,434</u>	 <u>100</u>
Capital and reserves			
Share capital	12	1,000,100	100
Profit and loss account		<u>(296,666)</u>	-
Shareholders' funds	13	<u>703,434</u>	100

These financial statements were approved by the board on 2nd February 2001 and signed on its behalf by:



G. Upton Director



J. R. Bradshaw Director

Oxford Brookes Enterprises Limited

Notes to the financial statements for the year ended 31 July 2000

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:

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

(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.

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 15.

Oxford Brookes Enterprises Limited

Notes to the financial statements for the year ended 31 July 2000

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:

	2000 £	1999 £
United Kingdom	7,967,124	5,067,951
Other countries	<u>37,919</u>	<u>46,443</u>
	<u>8,024,645</u>	<u>5,114,394</u>

3. Profit on ordinary activities

This is stated after charging:

	2000 £	1999 £
Auditors' remuneration	3,400	4,000
Depreciation	257,944	167,099

4. Employees

(a) 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:

	2000 £	1999 £
Wages and salaries	1,898,309	1,404,240
Social security costs	119,810	89,956
Other pension costs (Note 15)	<u>146,477</u>	<u>90,502</u>
	<u>2,164,596</u>	<u>1,584,698</u>

Oxford Brookes Enterprises Limited

Notes to the financial statements for the year ended 31 July 2000

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 any of the directors in respect of Oxford Brookes Enterprises Limited.

6. Interest receivable

	2000	1999
	£	£
Bank interest receivable	4,430	4,522
Other interest receivable	<u>0</u>	<u>10,767</u>
	<u>4,430</u>	<u>15,289</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

	2000	1999
	£	£
UK corporation tax at 20% for 2000	<u>(17,723)</u>	<u>9,616</u>

9. Fixed assets - tangible

	Building improvements	Leasehold Buildings	Computer equipment	Equipment fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 August 1999	588,193	-	548,045	372,348	76,636	1,585,222
Additions	418,155	226,462	177,026	78,365		900,008
Disposals			(61,437)	(5,958)		(67,395)
At 31 July 2000	1,006,348	226,462	663,634	444,755	76,636	2,417,835
Depreciation						
At 1 August 1999	38,176		342,436	256,965	63,853	701,430
Charge for the year	20,456	22,646	155,519	54,975	4,348	257,944
Disposals			(61,437)	(5,958)		(67,395)
At 31 July 2000	58,632	22,646	436,518	305,982	68,201	891,979
Net book value						
At 31 July 2000	947,716	203,816	227,116	138,773	8,435	1,525,856
At 31 July 1999	550,017	0	205,609	115,383	12,783	883,792

Oxford Brookes Enterprises Limited

Notes to the financial statements for the year ended 31 July 2000

	2000 £	1999 £
10. Debtors		
Trade debtors	1,121,794	403,828
Other debtors	-	8,181
Taxation	17,723	-
	<u>1,139,517</u>	<u>412,009</u>

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

11. Creditors: amounts falling due within one year

Payments received on account	142,790	41,240
Amount due to parent organisation	3,185,601	1,298,521
Other creditors	35,653	3,800
Taxation	-	42,433
	<u>3,364,044</u>	<u>1,385,994</u>

Taxation consists of corporation tax payable and tax deducted on the deed of covenant payment.

12. Share capital

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

Oxford Brookes Enterprises Limited

Notes to the financial statements for the year ended 31 July 2000

	2000 £	1999 £
13. Movement of shareholders' funds		
Profit/(Loss) for the year	(296,666)	—
Opening shareholders' funds/ (deficit)	100	100
Shares issued in year	1,000,000	
Closing shareholders funds	<u>703,434</u>	<u>100</u>

14. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 July 2000 or 31 July 1999.

15. Pension schemes

The two principal pension schemes for the company's staff are the Teachers' Pensions Scheme (TP) and the Local Government Pension Scheme (LGPS). These are both 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.

Pension summary

	TP 31/3/91*	LGPS 31/3/98
Latest actuarial valuation	31/3/91*	31/3/98
Investment returns per annum	8.5%	7.5%
Salary rate increase per annum	6.5%	5.25%
Pension increase per annum	5.0%	3.5%
Market value of assets at date of last valuation	£48,192m**	£485m
Proportion of members actual benefits covered by the actual valuation of the assets:	97.5%	96%

* The last actuarial valuation was published in 1997. ** The assets of TP are notional assets.

The total pension cost for the company was:

	2000 £	1999 £
Contributions to TP	4,707	3,799
Contributions to LGPS	141,770	86,703
	<u>146,477</u>	<u>90,502</u>

The contributions of the company are presently 7.2% of pensionable salary to TP and for LGPS since 1 April 2000 8.22% for salaried staff and 6.85% for manual staff. Between 1 April 1999 and 31 March 2000 the company's contribution rates to the LGPS were 7.86% for salaried staff and 6.55% for manual staff.

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Notes to the financial statements for the year ended 31 July 2000

Elimination of recovery of Advance Corporation Tax

The abolition of the ability to recover tax credits on UK dividends under the Finance (Number 2) Act 1997 will tend to reduce the future investment return for approved pension schemes. This is likely to increase to some degree the future cost of providing benefits, and to reduce to some degree the funding level for which benefits already accrued are covered by the schemes' assets. This is reflected in the increase in the LGPS contribution rates. The requirement for any increased contributions by the TP scheme will be assessed at the next formal valuation.

16. 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.

17. 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.

18. 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.