

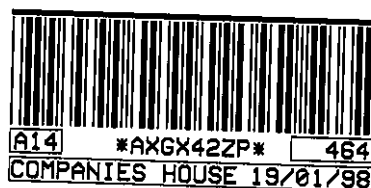
**OXFORD
BROOKES
UNIVERSITY**



OXFORD BROOKES ENTERPRISES LIMITED

**ANNUAL REPORT
YEAR ENDED 31 JULY 1997**

Registered Number: 2299189



OXFORD BROOKES ENTERPRISES LIMITED

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OXFORD BROOKES ENTERPRISES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 1997

The directors present their report and the audited financial statements for the year ended 31 July 1997.

Principal Activities and Business Review

The principal activities of the company consist of the provision of library, conference 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. All 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 University prepaid the company in March 1994 for this energy which is the reason for the level of creditors and bank balances. The company is able to recover Value Added Tax on its energy purchases.

The profit and loss account for the year is set out on page 7.

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 1997, all of whom were directors for the whole of the year ended on that date, were:

J. R. Bradshaw
S. K. Dexter
B. J. Summers.

In addition Professor C. Booth served as a director until 31 March 1997.

OXFORD BROOKES ENTERPRISES LIMITED

Directors' Interests in Shares of the Company

None of the directors held any beneficial interests in shares of the company at 31 July 1997 or 31 July 1996.

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

Other than the payment made under a deed of covenant to Oxford Brookes University amounting to £136,496 (1996: £188,648) the company made no political or charitable donations during the year.

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 1997. 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.

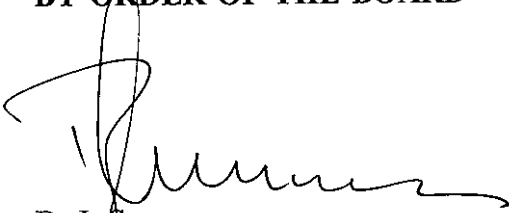
OXFORD BROOKES ENTERPRISES LIMITED

Auditors

The company passed an elective resolution not to reappoint auditors annually.

The auditors Price Waterhouse have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'B. J. Summers', is written over the printed name.

B. J. Summers
COMPANY SECRETARY

5 December 1997

OXFORD BROOKES ENTERPRISES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF OXFORD BROOKES ENTERPRISES LIMITED

We have audited the financial statements on pages 7 to 17, which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of Directors and Auditors

As described on page 4 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.

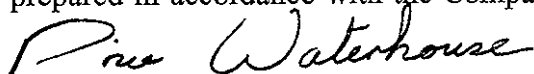
Basis of opinion

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 the company's affairs at 31 July 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and Registered Auditors
Thames Court
1 Victoria Court
Windsor
SL4 1HB

5 December 1997

OXFORD BROOKES ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1997

	Notes	1997 £	1996 £
Turnover	2	4,572,995	4,680,714
Cost of sales		<u>(4,465,114)</u>	<u>(4,471,123)</u>
Gross profit		107,881	209,591
Administrative expenses		<u>(75,667)</u>	<u>(133,106)</u>
Operating profit		32,214	76,485
Interest receivable	6	73,401	95,441
Interest payable	7	<u>(780)</u>	<u>(500)</u>
Profit on ordinary activities	3	104,835	171,426
Amount paid under deed of covenant	8	<u>(136,496)</u>	<u>(188,648)</u>
Loss for the year		<u>(31,661)</u>	<u>(17,222)</u>

Statement of profit and loss account

At 1 August 1996	(38,612)	(21,390)
Loss for the year	<u>(31,661)</u>	<u>(17,222)</u>
At 31 July 1997	<u>(70,273)</u>	<u>(38,612)</u>

All the above results derive from continuing activities.

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


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

OXFORD BROOKES ENTERPRISES LIMITED

BALANCE SHEET AS AT 31 JULY 1997

	Notes	1997 £	1996 £
Fixed Assets			
Tangible assets	9	<u>539,589</u>	<u>282,817</u>
Current Assets			
Debtors	10	567,358	652,162
Cash at bank and in hand		<u>1,368,471</u>	<u>1,158,077</u>
		1,935,829	1,810,239
Creditors: amounts falling due within one year	11	<u>2,304,946</u>	<u>1,729,615</u>
Net current (liabilities)/assets		<u>(369,117)</u>	<u>80,624</u>
Total assets less current liabilities		<u>170,472</u>	<u>363,441</u>
Creditors: amounts falling due after one year	12	<u>240,645</u>	<u>401,953</u>
Net liabilities		<u>(70,173)</u>	<u>(38,512)</u>
Capital and Reserves			
Share capital	13	100	100
Profit and loss account		<u>(70,273)</u>	<u>(38,612)</u>
Equity shareholders' deficit	14	<u>(70,173)</u>	<u>(38,512)</u>

These financial statements were approved by the board on 5 December 1997 and signed on its behalf by:



S K Dexter Director



J R Bradshaw Director

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

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 years
Motor vehicles	- 5 years
Building improvements	- 10-50 years.

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

1. Principal Accounting Policies - continued

(c) Taxation

As a commercial organisation the company is liable to corporation tax based on the profit for the year as adjusted for disallowable items. However, all taxable profits are covenanted to Oxford Brookes University and it is therefore not envisaged that tax will be payable. Normal VAT rules apply to the company.

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 the accounts of Oxford Brookes University.

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

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:

	1997 £	1996 £
United Kingdom	4,516,989	4,591,300
Other countries	<u>56,006</u>	<u>89,414</u>
	<u>4,572,995</u>	<u>4,680,714</u>

3. Profit on Ordinary Activities

This is stated after charging:

	1997 £	1996 £
Auditors' remuneration	3,000	3,000
Depreciation	159,116	77,606

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

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:

	1997 £	1996 £
Wages and salaries	1,360,177	1,408,282
Social Security costs	90,698	96,622
Other pension costs	<u>55,544</u>	<u>40,811</u>
	<u>1,506,419</u>	<u>1,545,715</u>

(b) Number of Staff

The average number of employees during the year for whom recharges have been made was made up as follows:

	1997 Number	1996 Number
Teaching and support	76	72
Part-time lecturers	3	3
Administrative	<u>9</u>	<u>9</u>
	<u>88</u>	<u>84</u>

(c) Pension costs

The company's employees participate in two schemes:

- Oxfordshire County Council (OCC) scheme
- The Department for Education and Employment (DfEE) scheme.

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

4. Employees - continued

(c) Pension costs - continued

Both schemes require contributions from the company as employer.

A revaluation of the OCC scheme at 31 March 1995 determined that for the year ended 31 March 1997 the employer's contribution rate would be 3.04%. Contributions payable under this scheme for the year amounted to £49,333 (1996: £33,341). The scheme provides benefits based on final superannuable pay.

The employer's contributions to the DfEE scheme, which is an unfunded defined benefit scheme, remain unchanged at 8.05% of employees superannuable pay. Contributions payable under this scheme for the year amounted to £6,211 (1996 £7,470). The scheme is independently administered.

5. Directors' Emoluments

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

6. Interest Receivable

	1997 £	1996 £
Bank interest receivable	<u>73,401</u>	<u>95,441</u>

7. Interest Payable

	1997 £	1996 £
Bank interest on sums repayable within five years, not by instalments	<u>780</u>	<u>500</u>

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

8. Deed of Covenant

The company has signed a deed of covenant agreeing to pay an amount equal to its net taxable profit for the year to Oxford Brookes University.

9. Fixed Assets - Tangible

	Building Improve- ments £	Computer Equipment £	Equipment Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 August 1996	186,702	147,921	170,394	54,898	559,915
Additions	<u>70,656</u>	<u>276,238</u>	<u>68,994</u>	<u>-</u>	<u>415,888</u>
At 31 July 1997	<u>257,358</u>	<u>424,159</u>	<u>239,388</u>	<u>54,898</u>	<u>975,803</u>
Depreciation					
At 1 August 1996	13,433	122,624	96,559	44,482	277,098
Charge for the year	<u>6,343</u>	<u>101,079</u>	<u>45,032</u>	<u>6,662</u>	<u>159,116</u>
At 31 July 1997	<u>19,776</u>	<u>223,703</u>	<u>141,591</u>	<u>51,144</u>	<u>436,214</u>
Net book value					
At 31 July 1997	<u>237,582</u>	<u>200,456</u>	<u>97,797</u>	<u>3,754</u>	<u>539,589</u>
At 31 July 1996	<u>173,269</u>	<u>25,297</u>	<u>73,835</u>	<u>10,416</u>	<u>282,817</u>

OXFORD BROOKES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

	1997 £	1996 £
10. Debtors		
Trade debtors	512,839	579,945
Other debtors	54,519	70,750
Taxation	<u>-</u>	<u>1,467</u>
	<u>567,358</u>	<u>652,162</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	67,729	79,631
Amount due to parent organisation	2,202,823	1,598,984
Other creditors	3,000	3,000
Taxation	<u>31,394</u>	<u>48,000</u>
	<u>2,304,946</u>	<u>1,729,615</u>

Taxation consists of tax deducted on the deed of covenant payment.

12. Creditors: amounts falling due after more than one year.

Amount due to parent organisation	<u>240,645</u>	<u>401,953</u>
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OXFORD BROOKES ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 1997**

	1997	1996
	£	£
13. Share Capital		
Authorised, 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
14. Movement of Shareholders' Deficit		
Loss for the year	<u>(31,661)</u>	<u>(17,222)</u>
Opening shareholders' deficit	<u>(38,512)</u>	<u>(21,290)</u>
Closing shareholders deficit	<u>(70,173)</u>	<u>(38,512)</u>
15. Capital Commitments and Contingent Liabilities		
There were no capital commitments or contingent liabilities at 31 July 1997 or 31 July 1996.		
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 Group Financial Accountant, Gipsy Lane, Headington, Oxford OX3 0BP.		
17. Cash Flow Statement		
As the company is a wholly owned subsidiary of Oxford Brookes University, no Cash Flow Statement has been prepared. The cash flows of the company are included within the consolidated Cash Flow Statement in the financial statements of Oxford Brookes University.		
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.		