

**OXFORD
BROOKES
UNIVERSITY**



Oxford Brookes Enterprises Limited

**Financial statements
for the year ended 31 July 2001**

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 2001

The directors present their report and the audited financial statements for the year ended 31 July 2001.

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 transferred by deed of covenant to 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 who held office during the year were as follows:

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

Directors' interests in shares of the company

None of the directors held any beneficial interests in shares of the company at 31 July 2001 during the year then ended.

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 reasonably and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2001. 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, the Governors of the parent organisation (Oxford Brookes University) passed a resolution on 29 June 2001 to appoint BKL Tenon as external auditors to the University and the Directors have agreed to use the same auditors.

By order of the board



E. Winders
Company Secretary

Date: 9th December 2001

Oxford Brookes Enterprises Limited

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

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 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. The other information comprises only the directors' report.

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 affairs of the company as at 31 July 2001 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

[Date] 5 July 2002

Oxford Brookes Enterprises Limited

Profit and loss account for the year ended 31 July 2001

	Notes	2001 £	2000 £
Turnover	1	11,822,532	8,005,043
Cost of sales		(11,782,669)	(8,179,796)
Gross profit / (loss)		39,683	(174,753)
Administrative expenses		(54,260)	(144,013)
Operating loss	2	(14,397)	(318,766)
Net interest receivable	5	18,197	4,377
Profit / (loss) on ordinary activities before taxation		3,800	(314,389)
Taxation	7	-	17,723
Retained profit / (loss) for the year	12	3,800	(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.

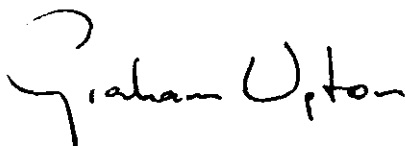
There is no difference between the profit for the year stated above and its historical cost equivalent.

Oxford Brookes Enterprises Limited

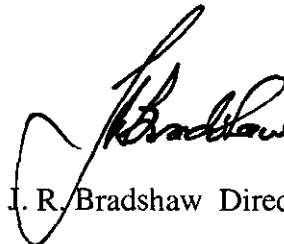
Balance sheet as at 31 July 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	9	2,084,060	1,525,856
Current assets			
Stocks and Building Work in Progress		418,811	-
Debtors	10	1,370,553	1,139,517
Loan to parent organisation		1,000,000	1,000,000
Cash at bank and in hand		1,336,830	402,105
		4,126,194	2,541,622
Creditors: amounts falling due within one year	11	(5,503,020)	(3,364,044)
Net current liabilities		(1,376,826)	(822,422)
Total assets less current liabilities		707,234	703,434
Net assets		707,234	703,434
Capital and reserves			
Share capital	12	1,000,100	1,000,100
Profit and loss account		292,866	296,666
Shareholders' funds	13	707,234	703,434

These financial statements were approved by the board on 7th December 2001 and signed on its behalf by:



G. Upton Director



I. R. Bradshaw Director

Oxford Brookes Enterprises Limited

Notes to the financial statements for the year ended 31 July 2001

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) Turnover

Turnover represents the invoiced amount of services provided and goods sold (net of VAT).

(c) 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
Leasehold buildings	Term of lease

(d) 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.

(e) 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 exchange differences are taken to the profit and loss account.

(f) 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.

(g) Stock

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

(g) Contracts

It is the company's policy to negotiate all external contracts on an annual basis in line with the Company's financial year end. Profits and losses are therefore accounted for within the year in question.

Oxford Brookes Enterprises Limited

2. Operating profit

This is stated after charging:

	2001 £	2000 £
Auditors' remuneration – audit services	3,500	3,400
Depreciation	238,131	257,944
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3. Employment costs

All staff are employed by Oxford Brookes University and appropriate costs are recharged to the company. The amounts recharged for the year are as follows:

	2001 £	2000 £
Wages and salaries	2,138,900	1,898,309
Social security costs	138,424	119,810
Other pension costs (Note 15)	173,929	146,477
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	2,451,253	2,164,596

4. Directors' emoluments

The two 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.

5. Net interest receivable

	2001 £	2000 £
Bank interest receivable	15,282	4,430
Other interest receivable	2,915	-
Interest payable	0	(53)
	<hr/>	<hr/>
	18,197	4,377

6. Deed of covenant

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

Oxford Brookes Enterprises Limited

7. Taxation

	2001	2000
	£	£
UK corporation tax recoverable at 20% for 2000	-	(17,723)

8. Tangible Fixed Assets

	Building improvements	Leasehold Buildings	Computer equipment	Equipment fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 August 2000	1,006,348	226,462	663,634	444,755	76,636	2,417,835
Additions	1,139,153	91,290	29,754	14,310	-	1,274,507
Disposals	(40,050)	(80,222)	(152,815)	(30,389)	-	(303,476)
At 31 July 2001	2,105,451	237,530	540,573	428,676	76,636	3,388,866
Depreciation						
At 1 August 2000	(58,632)	(22,646)	(436,518)	(305,982)	(68,201)	(891,979)
Charge for year	(33,871)	(23,753)	(120,849)	(55,311)	(4,347)	(238,131)
Disposals	26,014	8,022	73,479	26,252	-	133,767
At 31 July 2001	(66,489)	(38,377)	(483,888)	(335,041)	(72,548)	(996,343)
Net book value						
At 31 July 2001	2,038,962	199,153	56,685	93,635	4,088	2,392,523
At 31 July 2000	947,716	203,816	227,116	138,773	8,435	1,525,856

Included in the cost of building improvements is £308,463 of work in progress which is not depreciated until the work is completed (2000: Nil).

9. Stock

	2001	2000
	£	£
Finished goods	110,348	-

The 1999/2000 stock balance of £117,948 was included in the books of Oxford Brookes University.

10. Debtors

	2001	2000
	£	£
Trade debtors	1,352,830	1,121,794
Amounts due from parent organisation	10,482	-
Taxation	17,723	17,723
	1,370,553	1,139,517

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11. Loan to parent organisation

The loan to the parent organisation, Oxford Brookes University, of £1,000,000 was a short term, unsecured interest free loan made to the University repayable within 12 months.

12. Creditors: amounts falling due within one year

	2001 £	2000 £
Payments received on account	110,886	142,790
Amount due to parent organisation	5,310,264	3,185,601
Other creditors	81,870	35,653
	<u>5,503,020</u>	<u>3,364,044</u>

13. Share capital

	2001 £	2000 £
Authorised		
1,000,100 ordinary shares of £1 each	1,000,100	1,000,100
Allotted, called up and fully paid		
1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>

14. Movement of shareholders' funds

	2001 £	2000 £
Opening shareholders' funds	703,434	100
Shares issued in year	-	1,000,000
Profit/(loss) for the year	3,800	(296,666)
Closing shareholders' funds	<u>707,234</u>	<u>703,434</u>

15. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 July 2001 or 31 July 2000.

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.

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Pension summary

	TP	LGPS	USS
Latest actuarial valuation	*31/3/91	31/3/98	31/3/96
Investment returns per annum	8.5%	7.5%	8.5%
Salary rate increase per annum	6.5%	5.25%	6.5%
Pension increase per annum	5.0%	3.5%	5%
Market value of assets at date of last valuation	**£48,192m	£485m	£12,087m
Proportion of members actual benefits covered by the actual valuation of the assets	97.5%	96%	108%

* The 1991 actuarial valuation was published in 1997.

** The assets of TP are notional assets.

The total pension cost for the company was:

	2001 £	2000 £
Contributions to TP	4,797	4,707
Contributions to LGPS	140,943	141,770
Contributions to USS and other schemes	28,189	-
	173,929	146,477

The contributions of the institution are presently 7.4% of pensionable salary to TP, 14% for USS, and for LGPS since 1 April 2001 8.52% for salaried staff and 7.1% for manual staff. Between 1 April 2000 and 31 March 2001 the institution's contribution rates to the LGPS were 8.22% for salaried staff and 6.85% for manual staff.

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 LGPS contribution rates. The requirement for any increased contributions will be assessed at the next valuation of the other schemes.

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.