

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31ST JULY 2006

Registered Number 2331936



UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2006

The Directors present their report and financial statements of the Company for the year ended 31st July 2006.

PRINCIPAL ACTIVITIES

The Company acts as a holding company for certain subsidiary activities of the University of Southampton

RESULTS

The Company's profit for the year was £64 (2005 - £56), all of which was transferred to reserves (2005 - same)

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

No changes to the Company's activities are planned for the foreseeable future

DIRECTORS

The Directors who served since the date of the last report were as follows -

Mr R H Symons (Chairman) (appointed 19th June 2006)

Mr M. J Ace

Mr J F D Lauwerys

Prof P A Nelson

Mr. A J Walker (appointed 12th October 2005)

Prof D Williams

Dr B G Smith (resigned 19th June 2006)

At 31st July 2006, none of the above held any beneficial interest in the shares of the Company, its subsidiaries, or any other group companies

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st JULY 2006 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period 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 these financial statements, the Directors are required to -

- select suitable accounting policies and 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

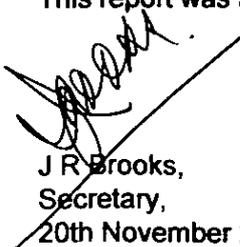
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT OF DISCLOSURE TO AUDITORS

(a) so far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information, and that they have made such enquiries of their fellow Directors and of the Company's Auditors for that purpose, and taken such other steps (if any) for that purpose, as were required by their duty as a Director of the Company to exercise due care, skill and diligence.

This report was approved by the Board of Directors on 20th November 2006


J R Brooks,
Secretary,
20th November 2006

University of Southampton
Highfield
Southampton
SO17 1BJ

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

We have audited the financial statements of University of Southampton Holdings Limited for the year ended 31st July 2006 which comprise the profit and loss account, the balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 with the Company is not disclosed.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st July 2006 and of its profit/loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Mazan W

MAZARS LLP

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

8 New Fields

2 Stinsford Road

Poole

Dorset

BH17 0NF

24 May 2007

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2006

	Note	2006 £	2005 £
TURNOVER	1(b)	9,700	9,600
Administrative expenses		(9,636)	(9,544)
		<hr/>	<hr/>
OPERATING PROFIT, PROFIT FOR THE FINANCIAL YEAR, AND PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	2	64	56
ACCUMULATED SURPLUS BROUGHT FORWARD		755	699
		<hr/>	<hr/>
ACCUMULATED SURPLUS CARRIED FORWARD		819	755
		<hr/>	<hr/>

All activities of the Company are continuing operations

The Company has no recognised gains or losses other than those above

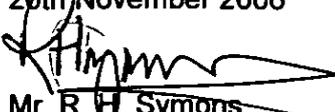
The notes on pages 7 to 10 form part of these financial statements

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

BALANCE SHEET AS AT 31ST JULY 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Investments	6	9,654,421	8,789,423
CURRENT ASSETS			
Debtors - amounts falling due within one year	7	2,840	2,554
CREDITORS			
Amounts falling due within one year	8	(2,208)	(1,986)
NET CURRENT ASSETS		632	568
TOTAL ASSETS LESS CURRENT LIABILITIES		9,655,053	8,789,991
CREDITORS			
Amounts falling due after more than one year	9	(9,654,036)	(8,789,038)
NET ASSETS		1,017	953
CAPITAL AND RESERVES			
Called-up share capital	10	198	198
Profit and loss account		819	755
SHAREHOLDER'S FUNDS		1,017	953

These financial statements were approved by the Board of Directors on 20th November 2006


Mr R H Symons
Chairman

The notes on pages 7 to 10 form part of these financial statements

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2006

1 ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The figures presented in these statements are for the parent company only. Group accounts have not been presented as the Company is a wholly-owned subsidiary of the University of Southampton, which produces group accounts

(b) Turnover

Turnover, all of which arises in the UK, represents amounts charged to University of Southampton group companies in the Company's capacity as a holding company

(c) Investments

Investments are stated at cost, less, where appropriate, provisions to reduce their carrying value to net realisable value.

2. OPERATING PROFIT

	2006 £	2005 £
The operating profit is charged after charging -		
Auditors' remuneration for audit services	1,300	1,250
Auditors' remuneration for non-audit services	700	650

3. DIRECTORS' EMOLUMENTS

During the year, the Directors received no emoluments for their services (2005 - £Nil)

4. EMPLOYEES

During the year, there were no employees (2005 - Nil) During the year, the University of Southampton charged the Company £6,936 (2005 - £6,800) in respect of services of its employees

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2006 (continued)

5. TAXATION

There is no charge to UK Corporation tax for the year (2005 - £Nil)

6. INVESTMENTS

	Shares in Subsidiary undertakings £	Other Investments £	Total £
Cost -			
At 31st July 2005	8,789,323	100	8,789,423
Additions	865,000	-	865,000
Disposals	(2)	-	(2)
At 31st July 2006	9,654,321	100	9,654,421

All shares held in these companies are ordinary class shares. At 31st July 2006, the Company had the following subsidiaries, all of which are registered in England and Wales, and operate wholly within the United Kingdom -

	Proportion of voting rights and share capital held	Business
The University of Southampton Science Park Limited	100%	Science Park
ECS Partners Limited	100%	Consulting
INNOS Limited	100%	Microfabrication services
Manor Centre Limited	100%	Post Office
Southampton Asset Management Limited	80%	Innovations and patents
Southampton Innovations Limited	100%	Innovations and patents
Southampton Residences Limited	100%	Management services
Southampton University Services Limited	50%	Provision of nurse education to National Health Service
Southampton University Research into Sustainability and the Environment (SUNRISE) Limited	100%	Waste management research
The University of Southampton Consulting Limited	100%	Consultancy

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2006 (continued)

6. INVESTMENTS (continued)

Southampton University Services Limited, Emerging Artistic Talents Southampton Limited, Solent Synergy Limited and ADRC Southampton Limited are limited by guarantee. The liability of the companies is limited to £1.

In the opinion of the Directors, the value of the investments shown is not less than the aggregate amount at which they are shown in the balance sheet.

7. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Amounts owed by ultimate parent undertaking	2,840	2,554

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Amounts owed to fellow subsidiary undertakings	208	86
Accruals and deferred income	2,000	1,900
	<u>2,208</u>	<u>1,986</u>

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Amounts owing to parent undertaking	9,654,036	8,789,038

10 CALLED-UP SHARE CAPITAL

	2006 £	2005 £
Authorised - 500 Ordinary shares of £1 each	500	500
Allotted and called up -		
198 Ordinary shares of £1 each	198	198

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2006 (continued)

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2006	2005
	£	£
Profit on ordinary activities after taxation	64	56
Opening shareholder's funds	953	897
Closing shareholder's funds	1,017	953

12. ULTIMATE PARENT UNDERTAKING

The Company's immediate and ultimate parent undertaking and ultimate controlling entity is the University of Southampton, a body corporate incorporated by Royal Charter in England and Wales, which is the smallest and largest group for which group financial statements are prepared

The group accounts of the University of Southampton and its subsidiary undertakings are available to the public and may be obtained from the University of Southampton, Highfield, Southampton, SO17 1BJ

13. CASH FLOW STATEMENT

The financial statements of the University of Southampton for the year ended 31st July 2006 contain a consolidated statement of cash flows. The Company has taken advantage of the exemption granted by Financial Reporting Standard ("FRS") 1 whereby it is not required to publish its own cash flow statement.

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption provided by FRS8 not to disclose transactions with entities that are part of the University of Southampton group.