

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2009

Registered Number: 2331936

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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 31 JULY 2009

The Directors present their report and financial statements of the Company for the year ended 31 July 2009.

PRINCIPAL ACTIVITIES

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

RESULTS

The Company's loss for the year was £346,889 (2008: Loss of £352,908). No taxation is payable for the year (2008: £nil) and the directors do not recommend the payment of a dividend (2008: £nil).

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. A.J. Walker, Chairman (resigned 31 July 2009)
Mr. M. J. Ace
Mr. S. D. Higman
Mr. M. Killingley (appointed 1 August 2009)
Prof. P.A. Nelson
Prof. D. M. Williams

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.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2009 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

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 2006. 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 AUDITOR

(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.

The Directors prepared this report in accordance with the provisions of Section 415A of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Directors on 20 November 2009 and signed on their behalf by



Ms R. A. Young
Company Secretary
Building 37
Finance Department
University of Southampton
Highfield
Southampton
SO17 1BJ

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

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

We have audited the financial statements of University of Southampton Holdings Limited for the year ended 31 July 2009 which comprise the profit and loss account, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditors

As described in the Directors' Responsibilities Statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

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

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lesley Fox (Senior statutory auditor)

for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)

8 New Fields
2 Stinsford Road
Poole
Dorset
BH17 0NF

30 November 2009

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2009

	Note	2009 £	2008 £
Turnover	1(b)	11,000	236,000
Administrative expenses		<u>(357,889)</u>	<u>(588,908)</u>
Operating loss, loss for the financial year and loss on ordinary activities before and after taxation	2	(346,889)	(352,908)
Accumulated loss brought forward		<u>(5,576,011)</u>	<u>(5,223,103)</u>
Accumulated loss carried forward		<u><u>(5,922,900)</u></u>	<u><u>(5,576,011)</u></u>

All activities of the Company are continuing operations.

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

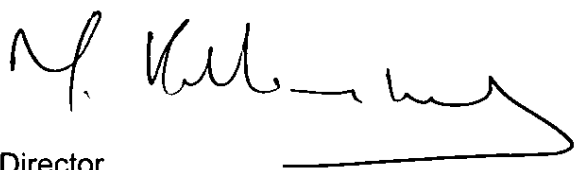
The notes on pages 7 to 11 form part of these financial statements.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

BALANCE SHEET AS AT 31 JULY 2009

	Note	2009 £	2008 £
Fixed assets			
Investments	6	<u>6,222,763</u>	<u>5,661,315</u>
Current assets			
Debtors	7	3,581	3,532
Creditors: amounts falling due within one year	8	<u>(2,560)</u>	<u>(2,625)</u>
Net current assets		<u>1,021</u>	<u>907</u>
Total assets less current liabilities		6,223,784	5,662,222
Creditors: amounts falling due after more than one year	9	<u>(12,146,486)</u>	<u>(11,238,035)</u>
Net liabilities		<u><u>(5,922,702)</u></u>	<u><u>(5,575,813)</u></u>
Capital and reserves			
Called-up share capital	10	198	198
Profit and loss account		<u>(5,922,900)</u>	<u>(5,576,011)</u>
Shareholder's deficit	11	<u><u>(5,922,702)</u></u>	<u><u>(5,575,813)</u></u>

These financial statements were approved by the Board of Directors on 20 November 2009



Director

The notes on pages 7 to 11 form part of these financial statements.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2009

1. ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards. The going concern basis is considered appropriate by the Directors despite the shareholder's deficit because of the support of the Ultimate Parent Undertaking.

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

	2009 £	2008 £
The operating profit is stated after charging:-		
Auditors' remuneration for audit services	1,639	1,645
Auditors' remuneration for taxation services	840	823
Impairment of investments	347,003	353,100

3. DIRECTORS' EMOLUMENTS

During the year, the Directors received no emoluments for their services (2008:- £ nil).

4. EMPLOYEES

During the year, there were no employees (2008:- nil). During the year, the University of Southampton charged the Company £7,935 (2008:- £6,321) in respect of services of its employees.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2009 (continued)

5. TAXATION

	2009 £	2008 £
Current tax charge	-	-
Factors affecting the tax charge for the year:		
Loss on ordinary activities before taxation	(346,889)	(352,908)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28/30%	(97,129)	(98,814)
Non-deductible expenses	97,161	98,868
Losses brought forward	(32)	(54)
Current tax charge	-	-

6. INVESTMENTS

	Shares in Subsidiary undertakings £	Other Investments £	Total £
Cost			
At 1 August 2008	11,238,320	100	11,238,420
Additions	908,451	-	908,451
At 31 July 2009	12,146,771	100	12,146,871
Impairments			
At 1 August 2008	5,577,105	-	5,577,105
Charge in year	347,003	-	347,003
At 31 July 2009	5,924,108	-	5,924,108
Net Book Value			
At 31 July 2009	6,222,663	100	6,222,763
At 31 July 2008	5,661,215	100	5,661,315

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2009 (continued)

6. INVESTMENTS (continued)

All shares held in these companies are ordinary class shares. At 31st July 2009, the Company had the following subsidiaries, all of which are registered in England and Wales:-

Company	Proportion of voting rights and share capital held Business
The University of Southampton Science Park Limited	100% Science Park
ECS Partners Limited	100% Consulting
Nosin Limited	100% Dormant
Manor Centre Limited	100% Post Office Franchise - business sold Oct 09
Southampton Asset Management Limited	80% Investment in spin outs
Southampton Innovations Limited	100% Investment in spin outs
Southampton Residences Limited	100% Dormant
Southampton University Services Limited	50% Nursing education - activity ceased 31 Mar 09
Southampton University Research into Sustainability and the Environment (SUNRISE) Limited	100% Dormant
The University of Southampton Consulting Limited	100% Consultancy
Solent Synergy Limited (by guarantee)	50% Consultancy
ADRC Southampton Limited (by guarantee)	100% Autism diagnostic clinic
University of Southampton Programme Management Limited	100% Dormant

Southampton University Services 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

	2009 £	2008 £
Amounts owed by ultimate parent undertaking	<u>3,581</u>	<u>3,532</u>

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to fellow subsidiary undertakings	82	85
Accruals and deferred income	<u>2,478</u>	<u>2,540</u>
	<u>2,560</u>	<u>2,625</u>

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2009 (continued)

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

	2009 £	2008 £
Amounts owing to parent undertaking	<u>12,146,486</u>	<u>11,238,035</u>

10. CALLED-UP SHARE CAPITAL

	2009 £	2008 £
Authorised:- 500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>
Allotted and called up:- 198 Ordinary shares of £1 each	<u>198</u>	<u>198</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT

	2009 £	2008 £
Loss on ordinary activities after taxation	(346,889)	(352,908)
Opening shareholder's deficit	<u>(5,575,813)</u>	<u>(5,222,905)</u>
Closing shareholder's deficit	<u>(5,922,702)</u>	<u>(5,575,813)</u>

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.

UNIVERSITY OF SOUTHAMPTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2009 (continued)

13. CASH FLOW STATEMENT

The financial statements of the University of Southampton for the year ended 31st July 2009 contain a consolidated statement of cash flows. The Company has taken advantage of the exemption granted by Financial Reporting Standard ("FRS") Number 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.