

2447470

UNIVERSITY OF NORTH LONDON ENTERPRISES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1997



University of North London Enterprises Limited
Report and Financial Statements for the Year Ended 31 July 1997

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Company No. 2447470

Report of the Directors

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

1. Review of Activities

The company is involved in a range of commercial activities previously undertaken by the University of North London. The principal activities of the company during the year were the provision of research, short courses and consultancy services; the operation of a Print Centre; a travel agency; and the production of microwave equipment.

The profits on ordinary activities before covenant and taxation amounts to £200,777 in the year to 31 July 1997, an 81% increase on the previous year. The activities of the Print Centre, the IT Learning Exchange and the production of microwave equipment accounted for most of the increase.

The directors consider that satisfactory progress has been made during the year and is expected to continue at the same level in future years.

The profit and loss account is shown on page 4. Movement in fixed assets is disclosed in note 6. The directors do not recommend the payment of a dividend.

2. Directors

The directors who served during the year were as follows:

Mr M Atchison (resigned 10.5.97)
Ms M Black
Mr G Hajifanis
Mr J Haworth
Mr B A Roper
Mr E Smith (resigned 3.6.97)

Mr B A Roper, as Chief Executive, holds 1 ordinary share as nominee for the University of North London.

None of the directors has any beneficial interest in the shares of the company.

3. Statement of Directors' Responsibilities

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 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.

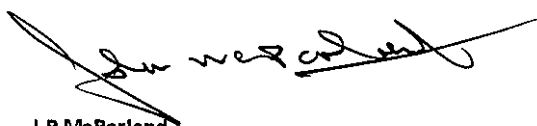
4. Donations

Under Deed of Covenant the company made a donation of £200,777 (1996 £110,979) to the University of North London, a registered charity.

5. Auditors

A resolution to re-appoint Price Waterhouse as auditors to the company will be proposed at the Annual General Meeting.

by order of the board



J P McParland
Company Secretary
166-220 Holloway Road
London N7 8DB

30 October 1997

Auditors' Report to the Members of University of North London Enterprises Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies on page 6.

Respective Responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and 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 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 as at 31 July 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Registered Auditors
Chartered Accountants
Southwark Towers
32 London Bridge Street
London SE1 9SY

(Date to be inserted)

30/10/97

Profit and Loss Account for the Year Ended 31 July 1997

1996 £		NOTE	1997 £
2,302,951	TURNOVER	2	2,133,799
1,593,330	COST OF SALES		1,354,944
-----			-----
709,621	GROSS PROFIT		778,855
5539	Interest Payable		2790
597,848	Administrative expenditure		602,643
-----			-----
106,234	PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		173,422
4,745	Other income and interest receivable		27,355
-----			-----
110,979	PROFIT ON ORDINARY ACTIVITIES BEFORE COVENANT AND TAXATION		200,777
110,979	Covenant paid to the University of North London	5	200,777
-----			-----
-	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-
-	Taxation	5	-
-----			-----
-	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-
(54)	Retained loss brought forward		(54)
-----			-----
(54)	Retained loss carried forward		(54)
=====			=====

None of the Company's activities were acquired or discontinued during the above two financial years, other than as referred to in the director's report.

The Company has no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The notes on pages 6 to 9 form part of the Financial Statements.

Balance Sheet as at 31 July 1997

1996 £	1996 £		NOTE	1997 £	1997 £
	158,324	FIXED ASSETS	6		124,031
		CURRENT ASSETS			
33,959		Stocks	7	57,931	
570,393		Debtors	8	526,271	
52,675		Cash at bank and in hand		31,870	
-----				-----	
657,027				616,072	
795,405		CREDITORS			
-----		Amounts due within one year	9	540,157	

	(138,378)	NET CURRENT ASSETS/(LIABILITIES)			75,915
	-----				-----
	19,946	NET ASSETS			199,946
	=====				=====

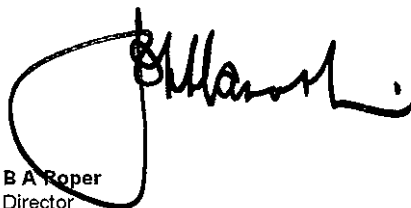
Represented by:

CAPITAL AND RESERVES

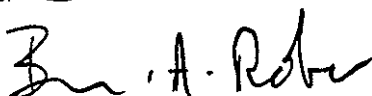
20,000	Called up share capital	10	200,000
(54)	Profit and loss account		(54)
-----			-----
19,946			199,946
=====			=====

Approved by the Board on 30 October 1997

J Haworth
Director



B A Roper
Director



The notes on pages 6 to 9 form part of the Financial Statements

Notes to the Financial Statements for the Year Ended 31 July 1997

1. Accounting Policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Where the accounting policies are judged material in stating the financial position of the company, details are disclosed in these notes.

Income from government grants is included in the financial statements in accordance with the accruals concept. The grants is recognised in the Income and Expenditure Account at the same time as the expenditure to which it relates becomes payable. The grants does not have a material effect on the results for the year and the financial position of the company.

2. Turnover

Turnover, derived wholly within the United Kingdom and representing the invoiced value of goods and services supplied during the year exclusive of value added tax, is drawn from the activities as detailed in the Report of the Directors.

	TURNOVER		GROSS PROFIT	
	1996 £	1997 £	1996 £	1997 £
Print Centre	1,141,934	1,170,653	107,269	143,921
Consultancy and similar activities	1,078,701	846,134	568,986	570,019
Entertainment and Travel Services	82,316	117,012	33,366	64,915
	-----	-----	-----	-----
	2,302,951	2,133,799	709,621	778,855
	=====	=====	=====	=====

3. Cashflow Statement and Related Party Disclosures

University of North London holds the entire interest in the issued share capital of University of North London Enterprises Limited.

No cash flow statement has been included in the financial statements as the company is a wholly owned subsidiary undertaking of the University of North London whose consolidated financial statements include a consolidated cash flow statement.

The parent company is the University of North London. The company has taken advantage of the exemption from disclosing transactions with its parent company which owns more than 90% of the share capital of the company. There were no other related party transactions in the year.

Notes to the Financial Statements for the Year Ended 31 July 1997

4. Profit on Ordinary Activities before Taxation

This is stated after charging:

	1996 £	1997 £
Auditors' remuneration	3,605	3,680
Directors' remuneration	-	-
Depreciation	38,225	36,569
	=====	=====

6. Taxation

All profits of University of North London Enterprises Limited are covenanted to University of North London under Deed of Covenant, therefore no liability to taxation arises on the profits for the year. University of North London is a registered charity.

6. Fixed Assets

	Plant & Equipment £	Computer Equipment £	Total £
COST			
At 1.8.96	205,127	53,011	258,138
Additions	-	2,276	2,276
Disposals	-	-	-
	-----	-----	-----
At 31.7.97	205,127	55,287	260,414
	-----	-----	-----
DEPRECIATION			
At 1.8.96	80,194	19,620	99,814
Disposals	-	-	-
Charge for the year	24,987	11,582	36,569
	-----	-----	-----
At 31.7.97	105,181	31,202	136,383
	-----	-----	-----
NET BOOK VALUE			
At 31.7.97	99,946	24,085	124,031
	=====	=====	=====
At 31.7.96	124,933	33,391	158,324
	=====	=====	=====

Depreciation has been provided so as to write down fixed assets over their estimated useful lives.

Depreciation has been charged on a reducing balance basis at the rates of 33% per annum for computers and 20% per annum for all other types of asset.

Notes to The Financial Statements for the Year Ended 31 July 1997

7. Stocks

Stocks are stated at the lower of cost and net realisable value and comprise:

	1996 £	1997 £
Work in progress	6,709	16,401
Finished goods and goods purchased for resale	27,250	41,530
	-----	-----
	33,959	57,931
	=====	=====

8. Debtors

	1996 £	1997 £
Trade debtors	271,875	201,002
Amounts owed by group undertakings	220,021	305,167
Other debtors	78,497	20,102
	-----	-----
	570,393	526,271
	=====	=====

9. Creditors

Amounts due within one year

	1996 £	1997 £
Bank Overdraft	-	153,984
Trade creditors	73,986	83,959
Due to group undertakings	460,878	160,433
Other taxation	-	5,832
Accruals and deferred income	260,541	135,949
	-----	-----
	795,405	540,157
	=====	=====

Notes to the Financial Statements for the Year Ended 31 July 1997

10. Called Up Share Capital

	1996	1997
Authorised, issued and fully paid:		
Ordinary Shares of £1 each	£20,000	£200,000
	=====	=====

11. Employee Information

There were no employees during the year. No director received any remuneration for services as a director, or has any financial interest in any contract of the company.

12. Capital Commitments

At 31 July 1997, there were no capital items authorised and contracted for.

13. Committed Expenditure as at 31 July 1997

The following operating lease payments are to be made during the next year on leases which expire:

	1997
After more than one and less than five years	£342,744
	=====

These operating lease commitments relate to the equipment used in the Print Centre.

14. Reconciliation of Movements in Shareholder's Funds

	1996 £	1997 £
Profit for the Financial Year	-	-
Shares issued in the year	-	180,000
Shareholder's Funds at 1.8.96	19,946	19,946
	-----	-----
Shareholder's funds at 31.7.97	19,946	199,946
	=====	=====