

Report and Financial Statements

for the year ending 31 July 1995



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UNIVERSITY OF
NORTH LONDON
ENTERPRISES LTD

University of North London Enterprises Limited

Report and Financial Statements for the Year Ended 31 July 1995

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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 1995.

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 management of the Rocket Theatre and associated bar activities ceased in February. The deterioration in the result is largely due to a major new consultancy and training project which experienced a slow start, in part due to disruption caused by a flood at the Benwell Road site. Otherwise, the directors consider that satisfactory progress has been made during the year. 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
Mr R E D Coldwell
Mr G Hajifanis
Mr B A Roper
Mr E Smith
Mr H Thomas
Mr C P Wragg

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 £125,435 (1994 £181,180) to the University of North London, a registered charity.

5. Auditors

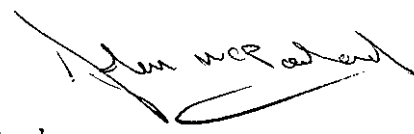
A resolution to re-appoint Price Waterhouse as auditors to the company will be proposed at the Annual General Meeting.

by order of the Board

J McParland

Company Secretary
166 - 220 Holloway Road
London N7 8DB

8 December 1995



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 1995 and of its result 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

8 December 1995

Price Waterhouse

Profit and Loss Account for the Year Ended 31 July 1995

1994 £		NOTE	1995 £
2,091,517	TURNOVER	2	2,318,922
1,256,679	COST OF SALES		1,597,356
-----			-----
834,838	GROSS PROFIT		721,566
658,027	Administrative expenditure		620,336
-----			-----
176,811			101,230
4,369	Other income and interest receivable		24,205
-----			-----
181,180	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		125,435
181,180	Covenant paid to the University of North London	3	125,435
-----			-----
--	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)
=====			=====

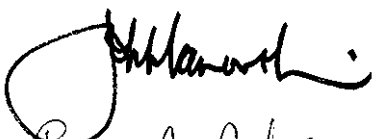
None of the Company's activities were acquired or discontinued during the above two financial years, other than as referred to in the director's report.

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.

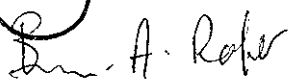
Balance Sheet as at 31 July 1995

1994		NOTE	1995	
£	£		£	£
110,312	FIXED ASSETS	6		169,726
	CURRENT ASSETS			
53,773	Stocks	7	74,362	
325,094	Debtors	8	456,164	
16,735	Cash at bank and in hand		155,403	
-----			-----	
395,602			685,929	
	CREDITORS			
455,301	Amounts due within one year	9	809,042	
-----			-----	
(59,699)	NET CURRENT ASSETS/(LIABILITIES)			(123,113)
-----				-----
50,613	TOTAL ASSETS LESS CURRENT LIABILITIES			46,613
30,667	Creditors due after more than one year	9		26,667
-----				-----
£19,946	NET ASSETS			£19,946
=====				=====
	Represented by:			
	CAPITAL AND RESERVES			
20,000	Called up share capital	10		20,000
(54)	Profit and loss account			(54)
-----				-----
£19,946				£19,946
=====				=====

J Haworth
Director



B A Roper
Director



8 December 1995

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

Notes to the Financial Statements for the Year Ended 31 July 1995

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.

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.

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 Directors' Report.

	TURNOVER		GROSS PROFIT	
	1994	1995	1994	1995
	£	£	£	£
Print Centre	797,178	951,415	35,846	71,949
Consultancy and similar activities	800,408	1,031,218	548,315	464,023
Entertainment and Travel Services	493,931	336,289	250,677	185,594
	-----	-----	-----	-----
	£2,091,517	£2,318,922	£834,838	£721,566
	=====	=====	=====	=====

3. Covenant to University of North London

University of North London holds the entire interest in the issued share capital of University of North London Enterprises Limited. University of North London is a registered charity.

Notes to the Financial Statements for the Year Ended 31 July 1995

4. Profit on Ordinary Activities before Taxation

This is stated after charging:	1994	1995
Auditors' remuneration	£3,435	£3,500
Directors' remuneration	-	-
Depreciation	£23,223	£36,747
	=====	=====

5. Taxation

No liability to taxation arises on the result for the year.

6. Fixed Assets

	Plant & Equipment £	Computer Equipment £	Total £
COST			
At 1.8.94	128,491	22,812	151,303
Additions	90,694	5,467	96,161
	-----	-----	-----
At 31.7.95	219,185	28,279	247,464
	=====	=====	=====
DEPRECIATION			
At 1.8.94	37,462	3,529	40,991
Charge for the Year	30,562	6,185	36,747
	-----	-----	-----
At 31.7.95	68,024	9,714	77,738
	=====	=====	=====
NET BOOK VALUE			
At 31.7.95	£151,161	£18,565	£169,726
	=====	=====	=====
At 31.7.94	£91,029	£19,283	£110,312
	=====	=====	=====

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

Depreciation was previously charged at 25% on a reducing balance basis.

In line with the accounting policy of the parent company, University of North London, the policy has been revised to 33% per annum for computers and 20% for all other types of asset.

The depreciation charge applying the old accounting policy would have been £42,606 which is not considered to be material to warrant a prior year adjustment.

Notes to the Financial Statements for the Year Ended 31 July 1995

7. Stocks

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

	1994	1995
	£	£
Work in progress	2,800	9,295
Finished goods and goods purchased for resale	50,973	65,067
	-----	-----
	£53,773	£74,362
	=====	=====

8. Debtors

	1994	1995
	£	£
Trade debtors	241,265	353,031
University of North London	53,220	-
Other debtors	30,609	103,133
	-----	-----
	£325,094	£456,164
	=====	=====

9. Creditors

Amounts due within one year

	1994	1995
	£	£
Loan repayments	4,000	4,000
Bank overdraft	104,896	-
Trade creditors	103,399	163,721
University of North London	-	164,281
Other taxation	45,295	14,154
Accruals and deferred income	197,711	462,886
	-----	-----
	£455,301	£809,042
	=====	=====

Amounts due after more than one year

	1994	1995
	£	£
Loan repayments	£30,667	£26,667
	=====	=====

Notes to the Financial Statements for the Year Ended 31 July 1995

10. Called Up Share Capital

	1994	1995
Authorised, issued and fully paid:		
Ordinary Shares of £1 each	£20,000	£20,000
	=====	=====

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 1995, there were no capital items authorised and contracted for.

13. Committed Expenditure as at 31 July 1995

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

	1995
After more than five years	£334,379
	=====

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

14. Reconciliation of Movements in Shareholder's Funds

	1994	1995
	£	£
Profit for the Financial Year	-	-
Shareholder's Funds at 1.8.94	19,946	19,946
	-----	-----
Shareholder's Funds at 31.7.95	£19,946	£19,946
	=====	=====

15. Approval of Financial Statements

These financial statements were approved by the board of directors on 8 December 1995.

Detailed Profit and Loss Account for the Year Ended 31 July 1995

		£
TURNOVER		2,318,922
COST OF SALES		1,597,356
GROSS PROFIT		<u>721,566</u>
Administrative Expenditure		
Wages & salaries	455,027	
Other staff costs	4,292	
Travel	25,959	
Advertising & publicity	17,499	
Printing & stationery	39,731	
Postage & telephones	9,103	
Maintenance & cleaning	17,139	
Legal & professional	8,559	
Bank charges	6,205	
Depreciation	36,747	
Sundry expenses	75	
	<u> </u>	620,336
		<u>101,230</u>
Other income and interest receivable		24,205
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>125,435</u>
Covenant paid to the University of North London		<u>125,435</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-
Taxation		-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£NIL</u> =====

This page does not form part of the audited financial statements.