

KINGSTON UNIVERSITY ENTERPRISES LIMITED

COMPANY REGISTRATION NO. 2462309

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000



Kingston University Enterprises Limited
Directors' Report
Year Ended 31 July 2000

The directors present their report, together with financial statements, for the year ended 31 July 2000.

Principal Activity

The principal activities of the company are the provision of consultancy services and the sale of Kingston University branded merchandise.

Results and Future Developments

There was a profit for the year before gift aid payment amounting to £15,478 (1999: Profit £16,533). No dividends were paid during the year (1999: £nil). The directors expect that the company will continue its principal activities for the foreseeable future.

Directors

The directors who served during the year are:

Dr A J H Mercer
Professor D Miles

Directors' Interests

No director had beneficial interest in any group company at any time during the year.

Responsibilities of the Directors

Company Law requires the directors to prepare financial statements for each financial year which 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. In preparing these financial statements, the directors are required to :

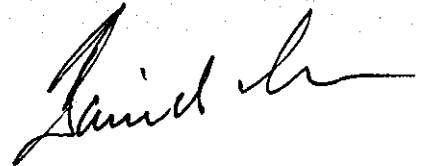
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business.

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 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.

Auditors

A resolution for the reappointment of Deloitte & Touche is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 8 November 2000 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'David Miles', with a stylized flourish at the end.

Professor D Miles

AUDITORS' REPORT TO THE MEMBERS OF KINGSTON UNIVERSITY ENTERPRISES LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 July 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and
Registered Auditors

4 January 2001

Kingston University Enterprises Limited
Profit and Loss Account
For the Year Ended 31 July 2000

	Note	2000 £	1999 £
Turnover	1	81,630	163,203
Cost of sales		<u>(69,314)</u>	<u>(136,575)</u>
Gross profit		12,316	26,628
Administrative expenses		<u>(1,736)</u>	<u>(13,844)</u>
Operating profit		10,580	12,784
Other interest receivable and similar income		4,898	3,749
Profit on ordinary activities before taxation	3	<u>15,478</u>	<u>16,533</u>
Gift Aid	4	(15,478)	-
Retained profit for the financial year	9	<u><u>-</u></u>	<u><u>16,533</u></u>

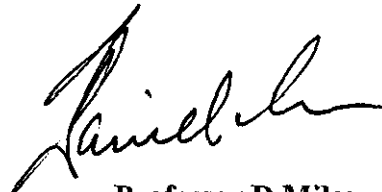
All results are derived from continuing operations.

There were no recognised gains or losses or other movements in shareholders' funds in this or the preceding year other than those shown above.

Kingston University Enterprises Limited
Balance Sheet
As at 31 July 2000

	Note	2000		1999	
		£	£	£	£
TANGIBLE FIXED ASSETS	5		266		476
CURRENT ASSETS					
Stock	6	1,523		1,639	
Debtors	7	31,687		44,047	
Cash at bank and in hand		<u>82,720</u>		<u>69,670</u>	
		115,930		115,356	
CREDITORS					
Amounts falling due within one year	8	(<u>37,293</u>)		(<u>36,929</u>)	
NET CURRENT ASSETS			78,637		78,427
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>78,903</u>		<u>78,903</u>
Represented by:					
Called up share capital	9		100,000		100,000
Profit and loss account	9		(21,097)		(21,097)
EQUITY					
SHAREHOLDERS' FUNDS	9		<u>78,903</u>		<u>78,903</u>

These financial statements were approved by the Board of Directors on 8 November 2000 and signed on behalf of the Board by:


Professor D Miles

Kingston University Enterprises Limited
Notes to the Financial Statements
Year Ended 31 July 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below.

a Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b Turnover

Turnover represents the amount billed and accrued for services rendered excluding VAT. All turnover derives from activities in the UK.

c Fixed Assets

Assets are capitalised and the cost depreciated over their useful economic life using the straight line method. The company uses the following economic lives:

Fixtures and Fittings	-	6 years
Computer Equipment	-	3 years

d Stock

Stocks of finished goods are valued at the lower of cost and net realisable value. The replacement cost is not significantly different from book value.

e Government Grants

Grants received from Government bodies are taken to the profit and loss account in the same period as the expenditure to which they relate.

2. STAFF AND DIRECTORS

The average number of employees (excluding directors) during the year was nil (1999: 1). For these employees, salary costs were:

	2000	1999
	£	£
Wages and salaries	-	6,066
Employer's pension contribution	-	206
Social security costs	-	401
	<u>-</u>	<u>6,673</u>

During this and the preceding years none of the directors received any emoluments in respect of their services to the company.

Kingston University Enterprises Limited
Notes to the Financial Statements
Year Ended 31 July 2000

**3. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

	2000	1999
	£	£

The profit/(loss) on ordinary activities
before taxation is stated after charging:

Audit fee	1,050	1,000
Depreciation on owned assets	210	467
Loss on disposal of assets	<u>-</u>	<u>607</u>

4. TAXATION

The company pays any profits to its parent under gift aid, therefore there is no liability to corporation tax. There was no unprovided deferred taxation at either year end.

5. TANGIBLE FIXED ASSETS

**Computer Equipment,
Fixtures and Fittings**
£

Cost

As at 1 August 1999	5,955
Disposals	<u>-</u>
As at 31 July 2000	5,955

Depreciation

As at 1 August 1999	5,479
Charge for the year	210
Disposals	<u>-</u>
As at 31 July 2000	5,689

Net Book Value

As at 31 July 2000	<u>266</u>
As at 31 July 1999	<u>476</u>

6. STOCK

	2000	1999
	£	£

Finished goods for resale	<u>1,523</u>	<u>1,639</u>
---------------------------	--------------	--------------

7. DEBTORS

	2000	1999
	£	£

Trade debtors	27,834	43,857
Amount owed by parent undertaking	3,853	-
Prepayments and accrued income	<u>-</u>	<u>190</u>
	<u>31,687</u>	<u>44,047</u>

Kingston University Enterprises Limited
Notes to the Financial Statements
Year Ended 31 July 2000

**8. CREDITORS: AMOUNTS FALLING DUE
 WITHIN ONE YEAR**

	2000 £	1999 £
Trade creditors	1,297	4,087
Amounts owed to parent undertaking	30,916	2,904
Accruals and deferred income	<u>5,080</u>	<u>29,938</u>
	<u>37,293</u>	<u>36,929</u>

**9. RECONCILIATION OF MOVEMENTS
 IN SHAREHOLDERS' FUNDS**

	Share Capital £	Profit and Loss Account £	Total £
At 1 August 1999	100,000	(21,097)	78,903
Profit for the year	-	15,478	15,478
Gift Aid	<u>-</u>	<u>(15,478)</u>	<u>(15,478)</u>
At 31 July 2000	<u>100,000</u>	<u>(21,097)</u>	<u>78,903</u>

The share capital consists of 100,000 authorised, allotted, called up and fully paid £1 ordinary shares.

10. ULTIMATE PARENT UNDERTAKING

Kingston University Enterprises Limited is a wholly owned subsidiary of Kingston University Higher Education Corporation, which was created under the terms of the Further and Higher Education Act 1992. Consolidated financial statements for the University, its ultimate parent undertaking, can be obtained by writing to:

The Finance Director
 Kingston University
 River House
 53-57 High Street
 Kingston upon Thames
 Surrey KT1 1LQ

Kingston University Higher Education Corporation is considered to be the controlling and ultimate controlling party of Kingston University Enterprises Limited.

Kingston University Enterprises Limited
Notes to the Financial Statements
Year Ended 31 July 2000

11. *RELATED PARTIES*

The company has taken advantage of the exemption under FRS8 in not disclosing transactions with entities that are part of the same group. The company is a wholly owned subsidiary and its results are included in the consolidated financial statements of Kingston University.