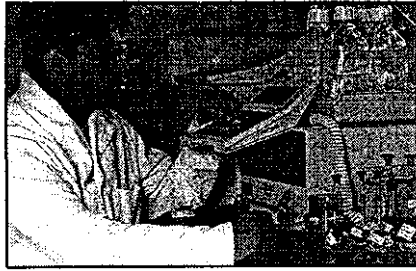


**Kingston University Enterprises Limited**  
**Report and Financial Statements**  
**Year Ended 31 July 1994**

**Company registration No: 2462309**





*Inductively Coupled Plasma Testing ( KAS)*

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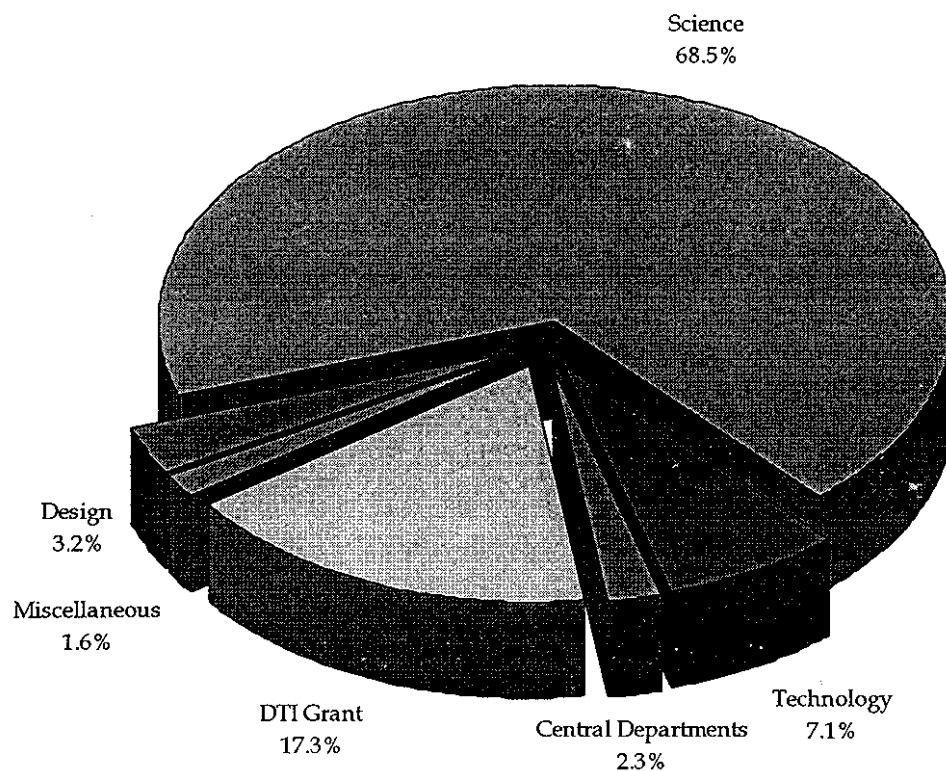
*Tensile testing of GRP laminate (KPCC)*

# Kingston University Enterprises Limited

## Financial Summary

### Turnover And Operating Income and Interest Receivable by Source

1993/94 £229.7K



#### Key Results

Turnover & Operating Income & Interest Receivable by Source	1993/94
Design	£7.4K
Science	£157.4K
Technology	£16.3K
Central Departments	£5.3K
DTI Grant	£39.7K
Miscellaneous	£3.6K
	£229.7K

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Cost of Sales	£137.0K
Administration Expenses	£80.0K
Pre-tax Profits	£12.7K

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Deed of Covenant	£26.7K
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## Chairman's Statement

### Introduction

At a time when conditions out in the market place were as difficult as most can remember, the introduction of Kingston University Enterprises Limited (KUUEL) within the trading framework of the University, provided greater challenges for all involved in the year 1993/94. However, through the cooperation of the project managers and their support staff, it is a pleasure for me to report that KUUEL has, in its first year of trading, made an operating surplus of £10.8K.

### Results

The company reported a surplus of £12.8K against total turnover and other operating income of £227.8K. This surplus was achieved primarily through sound project costing, maximising the DTI grant claim for the year and controlling the operating costs of the company. All the profit for the financial period of £12.8K has been gifted back to the University in accordance with the deed of covenants.

Much of the surplus was generated by the faculty of Science and although this has provided a platform from which the company can pursue new initiatives, we need to ensure that all other trading areas within the University are fully developed and channelled through the company.

### Technology Audit

Segal Quince Wicksteed Limited (SQW) were commissioned by the University to assist in a technology audit of three faculties : Design; Science; and Technology. The study was part funded by the DTI under its support for Technology Audit scheme. The scope of the audit was largely restricted to the identification and progression of external income generating activities, in particular, those activities which might be channelled through KUUEL.

The final report prepared by (SQW) provided a great insight into the commercial opportunities available to the University and the recommendations in the report are being followed through by KUUEL.

### Trading

The majority of the trading in the year came from laboratory based activities. This is an indication of how well the faculty of Science is linked with industry.

There are still new areas within the faculty that need pursuing , in particular, the area of Geographical Information Systems (GIS) for which there is a great market potential.

The All-England Lawn Tennis Club (Wimbledon), Lords cricket ground and Brighton racecourse have all taken advantage of the services offered by the School of Civil Engineering to load testing of barriers.

New initiatives from the faculty of Design have been developed and the results will be experienced in the coming year.

Branded merchandise is another major project that is under review. This will not only provide an income for the company but will play a significant role in raising the profile of the University.

### Prospects

1993/94 was a testing year which required us to adapt to many changes and we can be justifiably proud of our results.

The outlook for the next twelve months and beyond is perhaps still uncertain. However, with our clear aims and objectives, a strong relationship with staff and our customers, I continue to believe we can face the future with confidence.



**Robert C. Smith - Chairman**

# Managing Director's Report

## Background

Kingston University Enterprises Limited was set up in 1992 as the trading company of Kingston University. The primary aims of the company were :

**To be the agent for the University's trading activities, identifying those activities which are trading, to bring these activities into KUEL, and to develop and implement effective marketing strategies.**

**To facilitate and promote technology transfer activities.** During 1992/93, KUEL conducted a Technology Audit of the Faculties of Design, Science and Technology, with the aim of identifying resources and activities with commercial potential. In conjunction with the University Research Office, KUEL will continue this audit function and provide support and advice on licensing, patenting and other legal issues needed to transfer the results of University research to industry and the market place.

**To raise and enhance the profile of Kingston University.** Effective and successful trading and technology transfer activities depend partly on Kingston University's reputation. KUEL will continue to contribute to this goal by working with External Affairs to develop and distribute branded merchandise, organizing open days for consultancies and assisting in development of an alumni function at the University.

## Review of the Business

In completing its first year of trading with a £10.8K operating surplus, KUEL has demonstrated that it is a viable agency for handling the commercial activities of Kingston University. Last year we made real progress in laying the foundation for the future. The review which follows describes the significant development and growth of the business during the year 1993/94.

## Faculty of Science

The consultancies in the Faculty of Science, with a combined income of £157.4K, were the strongest contributors to the University's trading income. Kingston Analytical Services (KAS) and

Kingston Polymer & Composites Consultancy (KPCC) were the leaders in reaching agreements on their operations within KUEL and maintaining strong commitment throughout the year. KAS exceeded their targets for income and surplus by 21% and 76% respectively. This is an outstanding accomplishment which is largely due to the highly professional staff who carried out the work and were very responsive to customer needs.

Another highly promising activity in Science has been the Kingston Centre for Geographical Information Systems (KCGIS). They have established excellent relations with a small but growing group of clients over the course of the year and look to continue to develop and expand.

Two other groups, Radiation Physics Industrial Services (RPIS) and Kingston Geological Group (KGG) developed strongly after slow starts to significant amounts exceeding their income and surplus targets. Both consultancies are managed by individuals with strong links to outside clients and excellent reputations for providing consistently professional services.

## Faculty of Technology

Consultancies within the Faculty of Technology have been slower to develop because of disruption caused by the moves of their facilities from Canbury Park to Roehampton Vale and Penrhyn Road. The strongest contributor was Kingston Civil Engineering Services (KCES) which provides services such as the testing of barriers at the All England Lawn Tennis Club, Wimbledon. They have also expanded into other civil engineering testing and analysis, and have earned support for continued development, particularly in the timely provision of transport vans needed in many of their projects. The development of marketing materials for KCES and the other consultancies emerging in Technology is a high priority for KUEL.

## Faculty of Design

One consultancy in the Faculty of Design has begun operating through KUEL - Computer Nu-

merically Controlled 3D Design (CNC3D). It earned 98% of its income goal and 104% of its surplus goal. Another project in Design is the sale of the Discounted Assets Rent (DAR) Information System. This has been slow to develop because of the legal and administrative procedures involved in assigning rights and responsibilities to the various partners in the venture. The actual product, the DAR software and associated documentation, has also undergone considerable development during the year.

#### **Faculty of Business & Law and Human Sciences**

The Faculties of Business & Law and Human Sciences have not yet identified any projects for processing through KUEL. However, the APEX consultancy for management and business forecasting has been set up in association with the Faculty of Human Sciences, and there have been contacts with potential customers which KUEL is pursuing.

#### **Central Departments**

Of the other projects KUEL has tried to develop, the Computer Services has been most successful because of its established relations with certain clients. The Safety Management Profile project has been slowed by negotiations with external partners. The Library Services project requires a complete review of procedures before it can be brought under KUEL.

The sale of branded merchandise, in cooperation with External Affairs, has the potential to be a major part of the KUEL operation. An agreement has been reached with the University and the Kingston University Guild of Students (KUGOS) by which the Guild provides the University (through KUEL) a licence fee for the use of the University's name or logo on merchandise that it buys for resale. It also provides that KUEL may sell branded merchandise at other outlets and venues agreed with External Affairs. Agreements have been reached with Property Services and the Fitness Centre on the sale of branded merchandise through certain of their outlets. The University Executive is also pursuing an agreement with a bookshop in Kingston which may help to facilitate further sales of our branded merchandise.

The development of marketing materials for the consultancies continues to be a major activity for KUEL. Many of the large and established activities have benefited by the most extensive efforts this year with mailshots and high quality promotional materials.

The transfer of technology remains a high priority activity for KUEL. However, most of our effort in this area has involved monitoring projects which we have identified as having potential for development. At present we have not identified any projects ready for licensing to industrial partners. We have begun efforts to ensure close coordination with the University Research Office on identification of research that may have potential for commercial exploitation. However the University's Research Guidance procedures for its staff have not yet been finalized.

## **Directors and Advisors**

### **Directors:**

**Dr R C Smith CBE** *Chairman*  
**Prof R F Coleman CB**  
**Dr A J H Mercer**  
**Prof D Miles**

### **Secretary and Registered Office:**

**P H Marsh**  
16-18 Eden Street  
Kingston upon Thames  
Surrey KT1 1RD

### **Bankers :**

Co-operative Bank

### **Auditors :**

Touche Ross & Co.

### **Solicitors :**

Bells Solicitors  
Kingston upon Thames

**Kingston University Enterprises Limited**  
**Financial Statements**  
**Year Ended 31 July 1994**

**Report of the 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 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 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 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. 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.

**Principal Activities**

This is the second year Financial Statements have been prepared by the directors for Kingston University Enterprises Limited, ("KUEL").

In the year to 31 July 1994 the company has commenced trading in various areas of consultancy.

**Review of Business and likely future developments**

At a meeting of the Board of Governors of Kingston University, the company's ultimate parent undertaking, held on 21 September 1994, it was agreed that the University would provide the company with a further £90,000 of share capital, thus eliminating the company's net liabilities.



**Kingston University Enterprises Limited**  
**Financial Statements**  
**Year Ended 31 July 1994**

Results

Details of the company's results for the period are shown in the profit and loss account on page 9.

Directors

The directors who served during the year are ;

Dr R C Smith CBE  
Prof R F Coleman CB  
Dr A J H Mercer  
Prof D Miles

P Marsh - Company Secretary

Directors' Interests

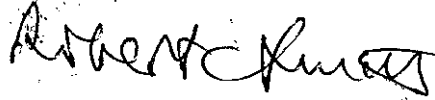
None of the directors had a beneficial interest in the company at the end of the period.

Auditors

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

17<sup>th</sup> May 1995



**Kingston University Enterprises Limited**  
**Financial Statements**  
**Year Ended 31 July 1994**

**Auditors' report to the Members of Kingston University Enterprises Limited**

We have audited the financial statements on pages 9 to 13 which have been prepared under the accounting policies set out on page 11.

**Respective responsibilities of directors and auditors**

As described on page 6 the company's directors are responsible for the preparation of financial statements. 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 Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 1994 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co.*

Touche Ross & Co.

Chartered Accountants and Registered Auditors

*30th May 1995*

Hill House  
1 Little New Street  
London EC4A 3TR

**Kingston University Enterprises Limited**  
**Period Ended 31 July 1994**  
**Profit and Loss Account**

		for the year ended 31 July 1994	for the four months ended 31 July 1993	for the year ended 31 March 1993
		£	£	£
	Notes			
Turnover		188,068	-	-
Cost of Sales		(136,963)	-	-
Gross Profit		51,105	-	-
Administrative Expenses	3	(80,024)	(29,104)	(56,542)
Other Operating Income	4	39,739	10,210	39,374
Operating Profit/(Loss)		10,820	(18,894)	(17,168)
Interest Receivable and Similar Income		3,564	-	213
Interest Payable and Similar Charges		(1,600)	(533)	(400)
Profit/(Loss) for the Financial Period	10	12,784	(19,427)	(17,355)
Deed of Covenant payment		(26,667)	-	-
Retained Loss	10	(13,883)	(19,427)	(17,355)
Profit and Loss account b/fwd		(36,782)	(17,355)	-
Profit and Loss account c/fwd		(50,665)	(36,782)	(34,710)

All activities are derived from continuing operations.


There are no recognised gains or losses other than those disclosed in the profit and loss account.

**Kingston University Enterprises Limited**  
**Period Ended 31 July 1994**  
**Balance Sheet**

	As at 31 July 1994		As at 31 July 1993	
	Notes	£	£	£
Tangible fixed assets	5	6,579		13,334
Current assets				
Debtors	6	58,078		14,318
Cash at bank and in hand		<u>90,652</u>		<u>53,779</u>
		148,730		68,097
Creditors: Amounts falling due within one year	7	<u>98,741</u>		<u>88,213</u>
Net current liabilities		49,989		(20,116)
Total assets less current liabilities		<u>56,568</u>		<u>(6,782)</u>
Creditors: Amounts falling due after more than one year	8	97,233		20,000
		<u>(40,665)</u>		<u>(26,782)</u>
Represented By:				
Called up share capital	9	10,000		10,000
Profit and loss account		(50,665)		(36,782)
		<u>(40,665)</u>		<u>(26,782)</u>

These financial statements were approved by the Board of Directors on 17th May 1995.

Signed on behalf of the Board of Directors:

  
Director.

**Kingston University Enterprises Limited**  
**Period Ended 31 July 1994**

**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 Fixed Assets**

Assets are capitalised and 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-Minor	- 3 years

**c 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) over the period was 3 (1993-3). For these employees salary costs were:

	12 months to 31 July 1994 £	4 months to 31 July 1993 £	12 months to 31 March 1993 £
Wages and salaries	51,297	14,310	20,239
Social security costs	4,684	1,408	2,025
	<u>55,981</u>	<u>15,718</u>	<u>22,264</u>

During the period none of the directors received any emoluments in respect of their services to the company.

**3 Administrative Expenses**

Profit for the year is stated after charging :

	12 months to 31 July 1994	4 months to 31 July 1993	12 months to 31 March 1993
Audit Fee	500	-	-
Depreciation	6,755	-	-

**4 Other Operating Income**

Other operating income consists of grants received from the Department of Trade and Industry.

**Kingston University Enterprises Limited**  
**Period Ended 31 July 1994**  
**Notes to the Accounts**

**5 Fixed Assets**

Cost	Fixtures, fittings, tools and equipment £
At 1 August 1993	13,334
Additions	-
At 31 July 1994	<u>13,334</u>
<b>Depreciation</b>	
At 1 August 1993	-
Charged in year	6,755
At 31 July 1994	<u>6,755</u>
<b>Net Book Value</b>	
At 31 July 1994	<u>6,579</u>
At 1 August 1993	<u>13,334</u>

**6 Debtors**

	At 31/7/94 £	At 31/7/93 £
Trade Debtors	50,540	-
Other Debtors	-	1,233
Prepayments and accrued income	<u>7,538</u>	<u>13,085</u>
	<u>58,078</u>	<u>14,318</u>

**7 Creditors: Amounts falling due within one year**

	At 31/7/94 £	At 31/7/93 £
Trade Creditors	3,287	-
Amounts owed to parent undertaking	88,287	78,165
Accruals and deferred income	<u>7,167</u>	<u>10,048</u>
	<u>98,741</u>	<u>88,213</u>

**8 Creditors: Amounts falling due after one year**

	At 31/7/94 £	At 31/3/93 £
Amounts owed to parent undertaking	<u>97,233</u>	<u>20,000</u>

**Kingston University Enterprises Limited**  
**Period Ended 31 July 1994**  
**Notes to the Accounts**

**9 Share Capital**

	At 31/7/94	At 31/3/93
Authorised:	£	£
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid:	At 31/7/94	At 31/3/93
	£	£
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**10 Reconciliation of movements in shareholders' funds**

	Year to 31 July 1994	4 months to 31 July 1993
	£	£
Loss for the financial period	(13,883)	(19,427)
Share capital subscribed	<u>-</u>	<u>-</u>
Net reduction in shareholders' funds	(13,883)	(19,427)
Opening shareholders' funds	(26,782)	(7,355)
Closing shareholders' funds	<u>(40,665)</u>	<u>(26,782)</u>

**11 Ultimate Parent Undertaking**

Kingston University Enterprises Limited is a wholly owned subsidiary of Kingston University Higher Education Corporation. Financial Statements for the University can be obtained by writing to:

The Finance Director  
Kingston University  
Penrhyn Road  
Kingston upon Thames  
Surrey  
KT1 2EE.