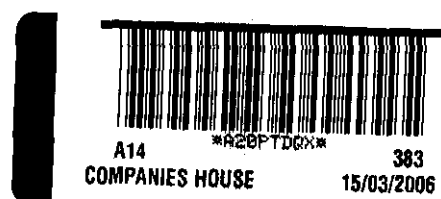


KINGSTON UNIVERSITY ENTERPRISES LIMITED

COMPANY REGISTRATION NO. 2462309

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2005



Kingston University Enterprises Limited
Directors' Report
Year Ended 31 July 2005

The directors present their report, together with the financial statements, for the year ended 31 July 2005.

Principal Activity

The principal activity of the company is the provision of consultancy services.

Results and Future Developments

There was a profit for the year before gift aid payment amounting to £14,552 (2004: £15,370). No dividends were paid during the year (2004: £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:

Mr Terry Butcher (appointed 14/12/04)
Professor D Miles

Directors' Interests

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

Responsibilities of the Directors

United Kingdom 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;
- state whether applicable accounting standards have been followed; and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Kingston University Enterprises Limited
Directors' Report (continued)
Year Ended 31 July 2005**

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 18th November 2005 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'T. Butcher', written in a cursive style.

Mr T Butcher

**Independent Auditors' Report to the Members of
Kingston University Enterprises Limited
Year Ended 31 July 2005**

We have audited the financial statements of Kingston University Enterprises Limited for the year ended 31 July 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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.

**Independent Auditors' Report to the Members of
Kingston University Enterprises Limited (continued)
Year Ended 31 July 2005**

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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and
Registered Auditors
Reading

21 November 2005

Kingston University Enterprises Limited
Profit and Loss Account
For the Year Ended 31 July 2005

	Note	2005 £	2004 £
Turnover	1	41,554	62,250
Cost of sales		<u>(31,198)</u>	<u>(49,902)</u>
Gross profit		10,356	12,348
Administrative expenses		<u>(888)</u>	<u>(1,258)</u>
Operating profit		9,468	11,090
Other interest receivable and similar income		<u>5,085</u>	<u>4,280</u>
Profit on ordinary activities before and after tax	3	14,552	15,370
Gift aid	4	<u>(14,552)</u>	<u>(15,370)</u>
Retained profit for the financial year	8	<u>-</u>	<u>-</u>

All results are derived from continuing operations.

There were no recognised gains or losses or other movements in shareholder funds in this or the preceding year other than those shown above. Accordingly, no statement of total recognised gains and losses is given.

Kingston University Enterprises Limited
Balance Sheet
As at 31 July 2005

		2005		2004	
	Note	£	£	£	£
TANGIBLE FIXED ASSETS	5		-		-
CURRENT ASSETS					
Debtors	6	19,738		8,723	
Cash at bank and in hand		<u>105,622</u>		<u>118,391</u>	
		125,360		127,114	
CREDITORS					
Amounts falling due within one year	7	(<u>25,360</u>)		(<u>27,114</u>)	
NET CURRENT ASSETS			100,000		100,000
NET ASSETS			<u>100,000</u>		<u>100,000</u>
Represented by:					
Called up share capital	8		100,000		100,000
Profit and loss account	8		-		-
EQUITY					
SHAREHOLDER FUNDS	8		<u>100,000</u>		<u>100,000</u>

These financial statements were approved by the Board of Directors on 18th November 2005 and signed on behalf of the Board by:



Mr T Butcher

Kingston University Enterprises Limited
Notes to the Accounts
Year Ended 31 July 2005

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom 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 Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement as permitted by FRS 1 (Revised) as the company's results are included in the consolidated financial statements of Kingston University.

2. STAFF AND DIRECTORS

The average number of employees (excluding directors) during the year was nil (2004: nil).

The directors receive remuneration from Kingston University, the parent entity, in respect of their services to Kingston University and the company. The amount allocated to the company in respect of these services is £nil (2004: £nil).

Kingston University Enterprises Limited
Notes to the Accounts
Year Ended 31 July 2005

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

	2005	2004
	£	£

The profit on ordinary activities before and after taxation is stated after charging:

Audit fee	<u>1,040</u>	<u>1,000</u>
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4. TAXATION AND GIFT AID

The company pays any profits, where these are in excess of any retained losses from prior periods, to its parent company 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 2004	<u>5,047</u>
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As at 31 July 2005	<u>5,047</u>
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Depreciation

As at 1 August 2004	<u>5,047</u>
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As at 31 July 2005	<u>5,047</u>
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Net Book Value

As at 31 July 2005	<u>—</u>
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As at 31 July 2004	<u>—</u>
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Kingston University Enterprises Limited
Notes to the Accounts
Year Ended 31 July 2005

6. DEBTORS	2005	2004
	£	£
Trade debtors	19,292	7,094
Prepayments and accrued income	<u>446</u>	<u>1,629</u>
	<u>19,738</u>	<u>8,723</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005	2004
	£	£
Amounts owed to parent undertaking	19,048	20,937
Accruals and deferred income	<u>6,312</u>	<u>6,177</u>
	<u>25,360</u>	<u>27,114</u>

8. **RECONCILIATION OF MOVEMENTS
IN SHAREHOLDER'S FUNDS**

	Share Capital £	Profit and Loss Account £	Total £
At 1 August 2004	100,000	-	100,000
Profit for the year	-	14,552	14,552
Gift Aid	<u>-</u>	<u>(14,522)</u>	<u>(14,522)</u>
At 31 July 2005	<u>100,000</u>	<u>-</u>	<u>100,000</u>

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

9. **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 and the only group to include the company, can be obtained by writing to:

The Finance Director
Kingston University
River House
53-57 High Street
Kingston upon Thames 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 Accounts
Year Ended 31 July 2005

10. *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.