

Kingston University Enterprises Limited
Financial Statements
Year Ended 31 July 1997

Company Registration No 2462309



Kingston University Enterprises Limited
Directors' Report
Year Ended 31 July 1997

The directors present their report together with Financial Statements for the year ended 31 July 1997.

Principal Activities

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 loss for the year amounting to £7,534. The directors are seeking to improve the company's trading performance in future years. No dividends were paid during the year (1996: £Nil).

Directors

The directors who served during the year are:

Mr S Binnie
Dr A J H Mercer
Prof. D Miles
Mr A Seth
Dr R C Smith CBE

Directors' Interests

None of the directors had beneficial interest in any group company at any time during the year.

Kingston University Enterprises Limited
Directors' Report (continued)
Year Ended 31 July 1997

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 21 November 1997 and signed on behalf of the Board
By:



Dr R C Smith CBE

**Auditors' Report to the Members of
Kingston University Enterprises Limited
Year Ended 31 July 1997**

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 2 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 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 judgments 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 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 loss 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

21 November 1997

Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA

Kingston University Enterprises Limited
Profit and Loss Account
for the Year Ended 31 July 1997

	Notes	1997	1996
		£	£
Turnover		202,064	278,735
Cost of sales		<u>(138,305)</u>	<u>(172,624)</u>
Gross profit		63,759	106,111
Administrative expenses		(83,387)	(85,922)
Other operating income	4	<u>11,975</u>	<u>-</u>
Operating (loss)/profit		(7,653)	20,189
Interest receivable and similar income		2,787	3,734
(Loss)/profit on ordinary activities for the year before and after taxation	3	<u>(4,866)</u>	<u>23,923</u>
Deed of covenant payment	5	(2,668)	(4,496)
Retained (loss)/profit for the financial year	10	<u>(7,534)</u>	<u>19,427</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 1997

		1997	1996
	£	£	£
Tangible fixed assets	6	2,967	3,608
Current assets			
Stock	7	22,702	24,447
Debtors	8	56,124	58,633
Cash at bank and in hand		<u>73,125</u>	<u>82,305</u>
		151,951	165,385
Creditors: Amounts falling due within one year	9	<u>(74,581)</u>	<u>(81,122)</u>
Net current assets		77,370	84,263
Total assets less current liabilities		<u>80,337</u>	<u>87,871</u>
Represented by:			
Called up share capital	10	100,000	100,000
Profit and loss account	10	(19,663)	(12,129)
Equity shareholders' funds	10	<u>80,337</u>	<u>87,871</u>

These Financial Statements were approved by the Board of Directors on 21 November 1997.

Signed on behalf of the Board of Directors:



Dr R C Smith CBE

Kingston University Enterprises Limited
Notes to the Accounts
Year Ended 31 July 1997

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 three (1996: three). For these employees, salary costs were:

	1997	1996
	£	£
Wages and salaries	63,264	58,521
Employer's pension contribution	618	618
Social security costs	<u>5,599</u>	<u>5,548</u>
	<u>69,481</u>	<u>64,687</u>

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

3. (Loss)/profit on ordinary activities before and after taxation

The (loss)/profit on ordinary activities before and after taxation is stated after charging:	1997	1996
	£	£
Audit fee	950	500
Depreciation on owned assets	<u>1,769</u>	<u>1,963</u>

Kingston University Enterprises Limited
Notes to the Accounts (continued)
Year Ended 31 July 1997

4. Other Operating Income

Other operating income consists of grants received from the DTI.

5. Taxation

The company pays funds to its parent under deed of covenant, therefore there is no liability to corporation tax. There was no unprovided deferred taxation at either year end.

6. Fixed Assets

**Fixtures, fittings and
computer equipment
£**

Cost

At 1 August 1996	16,156
Additions	<u>1,128</u>
At 31 July 1997	<u>17,284</u>

Depreciation

At 1 August 1996	12,548
Charged in year	<u>1,769</u>
At 31 July 1997	<u>14,317</u>

Net Book Value

At 31 July 1997	<u>2,967</u>
At 31 July 1996	<u>3,608</u>

7. Stock	1997	1996
	£	£
Finished goods for resale	<u>22,702</u>	<u>24,447</u>

8. Debtors

	1997	1996
	£	£
Trade debtors	55,110	40,551
Prepayments and accrued income	<u>1,014</u>	<u>18,082</u>
	<u>56,124</u>	<u>58,633</u>

Kingston University Enterprises Limited
Notes of the Accounts (continued)
Year Ended 31 July 1997

9. Creditors : Amounts falling due within one year

	1997	1996
	£	£
Trade creditors	586	8,449
Amounts owed to parent undertaking	-	69,659
Other creditors	9,740	2,479
Accruals and deferred income	<u>64,255</u>	<u>535</u>
	<u><u>74,581</u></u>	<u><u>81,122</u></u>

10. Reconciliation of movements in shareholders' funds

	Share Capital £	Profit and Loss Account £	Total £
As 1 August 1995	100,000	(31,556)	68,444
Profit for the year	<u>-</u>	<u>19,427</u>	<u>19,427</u>
As 31 July 1996	100,000	(12,129)	87,871
Loss for the year	<u>-</u>	<u>(7,534)</u>	<u>(7,534)</u>
At 31 July 1997	<u><u>100,000</u></u>	<u><u>(19,663)</u></u>	<u><u>80,337</u></u>

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

11. 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
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.

12. 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.