

Kingston University Enterprises Limited
Financial Statements
Year Ended 31 July 1995

Company registration No: 2462309



**Kingston University Enterprises Limited
Managing Directors' Statement
Year Ended 31 July 1995**

Introduction

Despite enduring a number of setbacks, Kingston University Enterprises Limited (KUEL) managed modest income growth in its second year of trading on behalf of the University. The Financial Year 1994/95 was a year of consolidating the gains made in establishing ongoing projects carried out by academic staff, but it also saw progress in expanding other income generating activities of KUEL staff.

Results

Total turnover and other operating income grew by 9.6% to £250,000. Financial support from the DTI is nearing its final phase. Income from this source was £24,000 (1994: £40,000). The operating result for the year was a loss of £681 (1994: profit of £12,784). The Faculty of Science continued to be the major contributor to income, although the Faculty of Technology more than doubled their turnover from last year. Loss of key personnel in both Kingston Analytical Services and Kingston Centre for Geographic Information Systems hampered growth in these consultancy services.

Other Income Generation

Progress was made in the development, marketing and sales of branded merchandise, resulting in a turnover of £16,000. An agreement was reached with Dillons to sell merchandise in their Kingston University Bookshop.

KUEL also established its credentials in planning and organising workshops and conferences. They received commissioned work from the Faculty of Science for work in this arena.

Another potentially beneficial relation has been initiated with Merisel (UK) Ltd, a major distributor of computer products. They have encouraged KUEL to apply for a dealership, and initial indications are that this is feasible.

Prospects

We expect the level of consultancy by staff to increase only slowly during the next couple of years. However, KUEL seems set to strengthen itself financially through other income generating activities, especially the computer dealership it is planning. Income in the Faculty of Technology is expected to increase with the recent marketing efforts for Kingston Civil Engineering Services and the emergence of a new consultancy, Kingston Manufacturing Technology Services.

KUEL continues to work with staff on a number of technical projects which may develop into commercial products. We also expect that as the successes of KUEL projects become more widely known, more staff will pursue the benefits of undertaking consultancy and commercial research.

Kingston University Enterprises Limited
Directors' Report
Year Ended 31 July 1995

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. 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

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

Fixed Assets

Details of movements in fixed assets are set out in note 6.

Increase in Share Capital

The company issued 90,000 ordinary shares of £1 each at par during the year for cash to raise additional working capital.

Results and future prospects

Details of the company's results for the period are shown in the profit and loss account on page 5. The directors are seeking to improve the company's trading performance in future years.

Directors

The directors who served during the year are ;

Dr R C Smith CBE
Prof R F Coleman CB (resigned 17 May 1995)
Dr A Seth (appointed 17 May 1995)
Dr A J H Mercer
Prof D Miles
Mr S Binnie (appointed 29 June 1994)

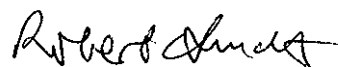
Directors' Interests

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

Auditors

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. 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 19 June 1996 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 1995**

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

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 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 1995 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

26 June 1996

Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA

Kingston University Enterprises Limited
Profit and loss account
for the year ended 31 July 1995

	Notes	1995 £	1994 £
Turnover		225,695	188,068
Cost of sales		<u>(170,680)</u>	<u>(136,963)</u>
Gross profit		55,015	51,105
Administrative expenses	3	(83,093)	(80,024)
Other operating income	4	<u>24,000</u>	<u>39,739</u>
Operating (loss)/profit		(4,078)	10,820
Interest receivable and similar income		4,997	3,564
Interest payable to parent undertaking		<u>(1,600)</u>	<u>(1,600)</u>
(Loss)/profit for the financial year		(681)	12,784
Deed of covenant refund/(payment) (including exceptional item)	5	19,790	(26,667)
Retained profit/(loss)	12	<u><u>19,109</u></u>	<u><u>(13,883)</u></u>

All activities are derived from continuing operations.

There are no recognised gains or losses in either this or the prior year other than those shown in the profit and loss account.

Kingston University Enterprises Limited
Balance sheet
31 July 1995

	Notes	1995 £	1994 £
Tangible fixed assets	6	5,155	6,579
Current assets			
Stock		14,108	-
Debtors	7	42,423	58,078
Cash at bank and in hand		87,120	90,652
		<u>143,651</u>	<u>148,730</u>
Creditors: Amounts falling due within one year	8	<u>(60,362)</u>	<u>(98,741)</u>
Net current assets		83,289	49,989
Total assets less current liabilities		<u>88,444</u>	<u>56,568</u>
Creditors: Amounts falling due after more than one year	9	(20,000)	(97,233)
		<u>68,444</u>	<u>(40,665)</u>
Represented By:			
Called up share capital	10	100,000	10,000
Profit and loss account	12	(31,556)	(50,665)
Equity shareholders' funds		<u>68,444</u>	<u>(40,665)</u>

These financial statements were approved by the Board of Directors on 19 June 1996.

Signed on behalf of the Board of Directors:



Dr Robert C. Smith, Director.

Kingston University Enterprises Limited
Notes to the accounts
for the year ended 31 July 1995

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) Stock

Stock is valued at the lower of cost and net realisable value.

d) 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 (1994: 3).

For these employees, salary costs were:

	1995	1994
	£	£
Wages and salaries	53,976	51,297
Social security costs	5,324	4,684
	<u>59,300</u>	<u>55,981</u>

During this and the preceding 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 :

	1995	1994
	£	£
Audit Fee	500	500
Depreciation	<u>3,830</u>	<u>6,755</u>

4 Other Operating Income

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

Kingston University Enterprises Limited
Notes to the accounts
for the year ended 31 July 1995

5 Exceptional Item

During the year, there was a refund of deed of covenant paid in prior years amounting to £24,696 (1994: nil).

6 Fixed Assets

	Fixtures, fittings, tools and equipment £
Cost	
At 1 August 1994	13,334
Additions	2,406
At 31 July 1995	<u>15,740</u>
Depreciation	
At 1 August 1994	6,755
Charged in year	3,830
At 31 July 1995	<u>10,585</u>
Net Book Value	
At 31 July 1995	<u>5,155</u>
At 31 July 1994	<u>6,579</u>

7 Debtors

	1995 £	1994 £
Trade debtors	40,739	50,540
Prepayments and accrued income	1,684	7,538
	<u>42,423</u>	<u>58,078</u>

8 Creditors: Amounts falling due within one year

	1995 £	1994 £
Trade Creditors	36,455	3,287
Amounts owed to parent undertaking	21,362	88,287
Other creditors	1,719	6,667
Accruals and deferred income	826	500
	<u>60,362</u>	<u>98,741</u>

9 Creditors: Amounts falling due after one year

	1995 £	1994 £
Amounts owed to parent undertaking	<u>20,000</u>	<u>97,233</u>

The loan of £20,000 (1994 £20,000) is repayable on demand from 1 August 1996. Interest is payable on the loan at the rate of 2% above LIBOR.

Kingston University Enterprises Limited
Notes to the accounts
for the year ended 31 July 1995

10 Share Capital

	1995	1994
	£	£
Authorised:		
100,000 (1994 £10,000) ordinary shares of £1 each	<u>100,000</u>	<u>10,000</u>
	1995	1994
	£	£
Allotted, called up and fully paid:		
100,000 (1994 £10,000) ordinary shares of £1 each	<u>100,000</u>	<u>10,000</u>

During the year £90,000 (1994 £Nil) of ordinary shares were issued for cash in order to increase the company's working capital.

11 Reconciliation of movements in shareholders' funds

	1995	1994
	£	£
Profit/(loss) for the financial period	19,109	(13,883)
Share capital subscribed	<u>90,000</u>	<u>-</u>
Net increase/(decrease) in shareholders' funds	109,109	(13,883)
Opening shareholders' funds	<u>(40,665)</u>	<u>(26,782)</u>
Closing shareholders' funds	<u>68,444</u>	<u>(40,665)</u>

12 Profit and Loss Account

	1995	1994
	£	£
At 1 August	(50,665)	(36,782)
Retained profit/(loss) for the year	<u>19,109</u>	<u>(13,883)</u>
At 31 August	<u>(31,556)</u>	<u>(50,665)</u>

13 Ultimate Parent Undertaking

Kingston University Enterprises Limited is a wholly owned subsidiary of Kingston University Higher Education Corporation. Consolidated financial statements for the University, its ultimate parent undertaking, can be obtained by writing to:

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