

Cwmni Creuddyn Cyfyngedig

**Reports and accounts
for the year ended 31 July 1998**



CWMNI CREUDDYN CYFYNGEDIG

**REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 1998**

Registered Number: 02463110

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 1998**

The directors present their report and the audited financial statements for the year ended 31 July 1998.

Principal activities

The principal activities of the company are the provision of media services and the provision of fuel and books.

Review of business

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend for the year ended 31 July 1998. The profit for the year of £2,672 has been transferred to reserves.

Directors

The directors of the company at 31 July 1998, all of whom have been directors for the whole of the year ended on that date, were:

Professor Reverend D P Davies
Mr G O Jones
Professor P Beaumont
Mr D H Davies
Mr G Davies
Mr R G Gee
Dr D A Thorne

Ms C A Byrne Jones, who was a director at 1 August 1997, resigned as a director on 11 June 1998.

Directors' interests in shares of the company

The directors were not interested in the share capital of the company at any time during the year.

Year 2000

Many computer systems express dates using the last two digits of the year, resulting in incorrect or unpredictable treatment of dates after the year 2000 in software applications. The company is reviewing the potential impact of this event on all computer systems which the company, its advisors and suppliers operate. The cost to the company of modifying computer hardware and software in relation to the year 2000 issue are not expected to be significant.

Directors' responsibilities

The directors are required by UK company law 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 its profit or loss for that year.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 July 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

Coopers & Lybrand merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



Company Secretary

**REPORT OF THE AUDITORS TO THE MEMBERS
OF CWMNI CREUDDYN CYFYNGEDIG**

We have audited the financial statements on pages 4 to 12.

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.

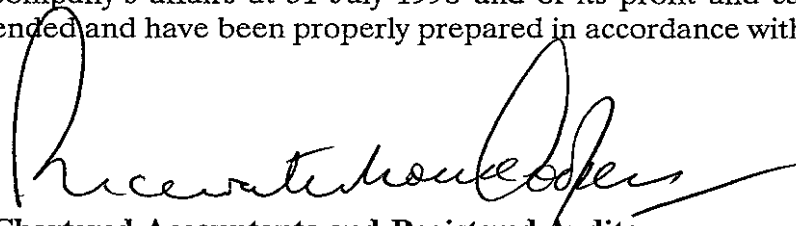
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes 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 at 31 July 1998 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Swansea, 30 May 1999

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1998**

	Notes	1998 £	1997 £
Turnover	2	128,015	122,482
Cost of sales		(61,223)	(54,187)
Gross profit		66,792	68,295
Administrative expenses		(62,329)	(61,096)
Operating profit		4,463	7,199
Other interest receivable and similar income		50,242	47,670
Interest payable and similar charges	4	(1,173)	(1,170)
Charitable gift to University of Wales, Lampeter		(50,860)	(48,562)
Profit for the year	5	2,672	5,137

The company has no recognised gains or losses other than those included in the profit above and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between the profit for the year stated above and its historical cost equivalents.


The turnover and operating profit for the year have been totally derived from the continuing operations of the company.

BALANCE SHEET - 31 JULY 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	7	24,720	29,485
Current assets			
Stocks	8	4,645	5,777
Debtors	9	514,194	513,066
Cash at bank and in hand		87,762	130,389
		<u>606,601</u>	<u>649,232</u>
Creditors: amounts falling due within one year	10	(32,504)	(33,770)
Net current assets		<u>574,097</u>	<u>615,462</u>
Total assets less current liabilities		<u>598,817</u>	<u>644,947</u>
Creditors: amounts falling due after more than one year	11	(6,145)	(17,778)
Accruals and deferred income	13	(596,446)	(633,615)
		<u>(3,774)</u>	<u>(6,446)</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	(3,776)	(6,448)
Equity shareholders' funds	16	<u>(3,774)</u>	<u>(6,446)</u>

The financial statements on pages 4 to 12 were approved by the board of directors on 27th May 1999 and were signed on its behalf by:

Director


D A Thorne

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1998

	Notes	1998 £	1997 £
Net cash outflow from operating activities	17	(86,123)	(72,743)
Returns on investments and servicing of finance			
Interest received		50,242	47,670
Interest paid		(1,173)	(1,170)
Net cash inflow from returns on investments and servicing of finance		49,069	46,500
Investment activities			
Purchase of tangible fixed assets		(1,415)	-
Net cash outflow before financing		(38,469)	(26,243)
Cash outflow from financing			
Repayment of loan		(1,364)	(1,392)
Decrease in cash and cash equivalents	18	(39,833)	(27,635)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1998 £	1997 £
Decrease in cash	(39,833)	(27,635)
Cash outflow from financing	1,364	1,392
Change in net funds	(38,469)	(26,243)
Opening net funds	107,007	133,250
Closing net funds	68,538	107,007

NOTES TO THE ACCOUNTS - 31 JULY 1998**1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and equipment	20%
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Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants are credited to the profit and loss account when received.

2 Turnover and profit on ordinary activities before taxation

All of the company's turnover relates to the provision of media services, sale of electricity and management fees and arose entirely within the United Kingdom.

3 Employee information

The directors received £Nil (1997: £Nil) remuneration during the year.

At the balance sheet date, retirement benefits are accruing for nil directors (1997: nil).

The average weekly number of persons employed during the year was 3 (1997 : 3).

	1998 £	1997 £
Staff costs (for the above persons)		
Wages and salaries	30,439	27,393
Social security costs	2,159	1,713
	<u>32,598</u>	<u>29,106</u>

4 Interest payable and similar charges

	1998 £	1997 £
On bank loans, overdrafts and other loans:		
Repayable wholly or partly in more than five years	1,173	1,170
	<u>1,173</u>	<u>1,170</u>

5 Profit for the year

	1998 £	1997 £
The profit on ordinary activities before taxation is stated after crediting:		
Amortization of government grants	2,020	4,040
And after charging:		
Depreciation for the year	6,180	7,371
Auditors' remuneration	795	815
Hire of equipment - operating leases	-	1,120
	<u>-</u>	<u>1,120</u>

6 Taxation

No charge arose during the year in respect of corporation tax or deferred taxation.

7 Tangible fixed assets

	Plant and machinery £	Total £
Cost		
At 1 August 1997	91,633	91,633
Additions	1,415	1,415
At 31 July 1998	93,048	93,048
Depreciation		
At 1 August 1997	62,148	62,148
Charge for the year	6,180	6,180
At 31 July 1998	68,328	68,328
Net book value at 31 July 1998	24,720	24,720
31 July 1997	29,485	29,485

8 Stocks

	1998 £	1997 £
Raw materials and consumables	4,645	5,777

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Loan to parent undertaking	500,000	500,000
Trade debtors	12,857	5,753
Amount due from parent undertaking	1,017	7,313
Other debtors	320	-
	514,194	513,066

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdraft (note 11)	1,679	4,204
Loan from parent undertaking	11,400	1,400
Trade creditors	5,902	4,502
Other taxation and social security	11,613	13,394
Accruals	1,538	1,180
Other creditors	372	9,090
	32,504	33,770

11 Creditors: amounts falling due after one year

	1998 £	1997 £
Loan from parent undertaking	-	10,000
Bank loan	7,824	9,188
Less: amount repayable within one year (note 10)	(1,679)	(1,410)
	<u>6,145</u>	<u>17,778</u>

	1998 £	1997 £
Bank loans		
The bank loan is repayable by instalments as follows:		
One year or less	1,679	1,410
Between two and two years	6,145	7,778
	<u>7,824</u>	<u>9,188</u>

12 Provisions for liabilities and charges**Deferred taxation**

There is no liability for deferred taxation and, accordingly, no provision has been made in the financial statements.

13 Accruals and deferred income

	Other grants £	Deferred income £	Total £
As at 1 August 1997	10,103	623,512	633,615
Amortization of grant in year	(2,020)	-	(2,020)
Invoices raised in year	-	(35,149)	(35,149)
As at 31 July 1998	<u>8,083</u>	<u>588,363</u>	<u>596,446</u>

14 Called up share capital

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

15 Reserves

	Profit and loss account £
At 1 August 1997	(6,448)
Retained profit for the year	2,672
	<hr/>
At 31 July 1998	<u>(3,776)</u>

16 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Opening shareholders' funds	(6,446)	(11,583)
Profit for the year	2,672	5,137
	<hr/>	<hr/>
Closing shareholders' funds	<u>(3,774)</u>	<u>(6,446)</u>

17 Reconciliation of operating profit to net cash inflow from operating activities

	1998 £	1997 £
Operating profit	4,463	7,199
Charitable gift	(50,860)	(48,562)
Amounts released from deferred income	(2,020)	(4,040)
Depreciation on tangible fixed assets	6,180	7,371
Decrease/(increase) in stocks	1,132	(289)
(Increase)/decrease in trade debtors	(7,104)	1,663
Decrease/(increase) in other debtors	5,976	(6,627)
Increase/(decrease) in trade creditors	1,400	(5,289)
(Decrease)/increase in other taxation and social security	(1,781)	10,822
(Decrease) in accruals and deferred income	(35,149)	(33,708)
(Decrease) in other creditors	(8,360)	(1,283)
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(86,123)</u>	<u>(72,743)</u>

18 Analysis of net funds

	1 August 1997 £	Cash flows £	31 July 1998 £
Net cash			
Cash at bank and in hand	130,389	(42,627)	87,762
Bank overdraft	(2,794)	2,794	-
	<u>127,595</u>	<u>(39,833)</u>	<u>87,762</u>
Debt			
Bank loan	9,188	1,364	7,824
Loan from parent	11,400	-	11,400
	<u>20,588</u>	<u>1,364</u>	<u>19,224</u>
Net funds	<u>107,007</u>	<u>(38,469)</u>	<u>68,538</u>

19 Parent undertaking

The directors regard University of Wales, Lampeter as the company's parent undertaking and controlling party. Copies of the parent undertaking's financial statements may be obtained from the Registrar, University of Wales, Lampeter, Lampeter, SA48 7ED.