



**SOUTH FIELDS ENTERPRISES LIMITED**

**Report and Financial Statements**

**Year ended 31 July 1996**

**Deloitte & Touche  
St John's House  
East Street  
Leicester  
LE1 6NG**



**REPORT AND FINANCIAL STATEMENTS 1996**

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**REPORT AND FINANCIAL STATEMENTS 1996**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr P D Smith MBE  
Mr A F Warren  
Mr D Grocock  
Mrs E P Iliffe (appointed 1 April 1997)  
Mrs C Birch (appointed 1 April 1997)

**SECRETARY**

Mr D Grocock

**REGISTERED OFFICE**

Leicester South Fields College  
Aylestone Road  
Leicester  
LE2 7LW

**BANKERS**

TSB  
17 Horsefair Street  
Town Hall Square  
Leicester  
LE1 5PD

**SOLICITORS**

Eversheds  
14 Fletcher Gate  
Nottingham  
NG1 2FX

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
St John's House  
East Stret  
Leicester  
LE1 6NG

## **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 July 1996.

### **ACTIVITIES**

The principal activities of the Company are property investment, hairdressing salons, National Print Skills Centre and college shops.

### **REVIEW OF DEVELOPMENTS**

During the year the company made a profit of £54,541 (1995 loss: £131,534). The directors anticipate that this result will be improved in the forthcoming year.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

There were no dividends paid or proposed during the year. Retained profits of £54,541 (1995 losses: £131,534) have been added to reserves.

### **FIXED ASSETS**

Details of movements in fixed assets during the year can be found in the notes to the accounts. Equipment donated to the company is included in the balance sheet at valuation. Purchased equipment is depreciated over its useful economic life at 20% per annum.

### **DIRECTORS AND THEIR INTERESTS**

The directors share holdings or other interests in the company are:

Mr. P.D. Smith one fully paid ordinary share £1

### **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 the going concern basis unless it is inappropriate to presume that 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**

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 as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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

  
Mr D Grecock  
Director

28 April 1997



## Chartered Accountants

Deloitte & Touche  
St. John's House  
East Street  
Leicester LE1 6NG

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## AUDITORS' REPORT TO THE MEMBERS OF

### SOUTH FIELDS ENTERPRISES LIMITED

We have audited the financial statements on pages 4 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 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

*30 April 1997*




**PROFIT AND LOSS ACCOUNT**
**Year ended 31 July 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	2	999,730	481,993
Cost of sales		<u>506,007</u>	<u>409,636</u>
<b>Gross profit</b>		493,723	72,357
Administrative expenses		<u>(439,182)</u>	<u>(203,891)</u>
<b>OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	54,541	(131,534)
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		54,541	(131,534)
Retained loss brought forward	9	<u>(292,404)</u>	<u>(243,700)</u>
Retained loss carried forward		<u>(237,863)</u>	<u>(375,234)</u>

Both turnover and operating profit relate to continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 July 1996**

	1996 £	1995 £
Profit/(Loss) for the financial year	54,541	(131,534)
<b>Total recognised gains/losses relating to the year</b>	<u>54,541</u>	<u>(131,534)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**Year ended 31 July 1996**

	1996 £	1995 £
Balance at 1 August 1995	453,170	584,704
Profit/Loss for the financial year	54,541	(131,534)
<b>Closing shareholders' funds</b>	<u>507,711</u>	<u>453,170</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**Year ended 31 July 1996**

	1996 £	1995 £
Profit/(Loss) on ordinary activities before taxation	54,541	(131,534)
Difference between the historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	165,661	82,830
<b>Historical cost profit/(loss) before taxation</b>	<u>220,202</u>	<u>(48,704)</u>



**BALANCE SHEET**

**31 July 1996**

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	5	596,716	754,206
<b>CURRENT ASSETS</b>			
Stocks	6	7,285	10,917
Debtors	7	311,775	40,183
Cash at bank and in hand		61,179	55,694
		380,239	106,794
<b>CREDITORS: amounts falling due within one year</b>	8	(469,244)	(407,830)
<b>NET CURRENT LIABILITIES</b>		(89,005)	(301,036)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		507,711	453,170
<b>CAPITAL AND RESERVES</b>			
Share capital	10	100	100
Revaluation reserve	9	579,813	745,474
Profit and loss account	9	(72,202)	(292,404)
<b>TOTAL EQUITY SHAREHOLDERS FUNDS</b>		507,711	453,170

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

Mr D Grocock  
Director

Mrs E P Iliffe  
Director

28 April 1997

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1996**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

**Tangible fixed assets**

Donated equipment is included in the balance sheet at valuation and depreciated over its useful economic life at 20% per annum. Purchased equipment is also depreciated over its useful economic life at 20% per annum.

**Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost is the purchase price of materials.

**2. TURNOVER**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

**3. OPERATING PROFIT/(LOSS)**

	1996 £	1995 £
<b>Operating profit/(loss) is after charging:</b>		
Depreciation	169,557	84,078
Auditors' remuneration	1,100	1,000
	<u>170,657</u>	<u>85,078</u>

Directors' remuneration is included in Leicester South Fields College's financial statements. The directors of the company are also directors, governors or employees of that College. It is not practicable to allocate their remuneration between their services to the College and their services to the Company.

**4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

There is no tax charge for the year.

There are tax losses to carry forward of £70,000 to set against future profits.


**NOTES TO THE ACCOUNTS**
**Year ended 31 July 1996**
**5. TANGIBLE FIXED ASSETS**

	<b>1996 Equipment £</b>
<b>Cost or valuation</b>	
At 1 August 1995	840,779
Additions	12,067
Disposals	-
	<u>852,846</u>
At 31 July 1996	<u>852,846</u>
<b>Accumulated Depreciation</b>	
At 1 August 1995	86,573
Charge for the year	169,557
	<u>256,130</u>
At 31 July 1996	<u>256,130</u>
<b>Net Book Value</b>	
At 31 July 1996	<u>596,716</u>
At 31 July 1995	<u>754,206</u>

Tangible fixed assets include plant and equipment at a valuation of £828,304. These assets were donated to the company and, therefore, have a historical cost of £nil. The net book value of the assets at the year end is £579,813 (1995: £745,474).

**6. STOCKS**

	<b>1996 £</b>	<b>1995 £</b>
Raw materials and consumables	<u>7,285</u>	<u>10,917</u>

**7. DEBTORS**

	<b>1996 £</b>	<b>1995 £</b>
<b>Due within one year</b>		
Called up share capital unpaid	99	100
Trade debtors	62,679	38,028
Other debtors	3,029	2,055
Amounts owed by parent Corporation	<u>245,968</u>	-
	<u>311,775</u>	<u>40,183</u>


**NOTES TO THE ACCOUNTS**
**Year ended 31 July 1996**
**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996	1995
	£	£
Trade creditors	13,284	-
Accruals	1,100	-
Owed to parent Corporation	454,860	407,830
	<u>469,244</u>	<u>407,830</u>

**9. STATEMENT OF MOVEMENTS ON RESERVES**

	Profit and loss account £	Revaluation Reserve £
At 1 August 1995	(292,404)	745,474
Profit/(Loss) for the year	54,541	-
Transfer to profit and loss account	165,661	(165,661)
At 31 July 1996	<u>(72,202)</u>	<u>579,813</u>

On 31 July 1994 equipment donated to the company for the National Print Skills Centre was revalued from £nil to £828,304. It is included in these financial statements at invoice cost to the donor.

**10. SHARE CAPITAL**

	31 July 1996 and 31 July 1995
Authorised 100 ordinary shares of £1 each	<u>100</u>
Issued, allotted and paid	1
Issued, allotted and unpaid	<u>99</u>

**11. ULTIMATE PARENT CORPORATION**

South Fields Enterprises Limited is a wholly owned subsidiary of Leicester South Fields College.