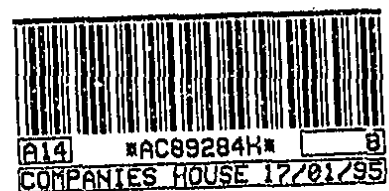


SOUTH FIELDS ENTERPRISES LIMITED

Report and Financial Statements

**for the period from 4 February 1993
to 31 July 1994**

**Touche Ross & Co.
St Johns House
East Street
Leicester
LE1 6NG**



REPORT AND FINANCIAL STATEMENTS 1994

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REPORT AND FINANCIAL STATEMENTS 1994

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr R J Richmond
Mr A F Warren
Mr A M Thompson
Ms T H R Robins

SECRETARY

Mr A M Thompson

REGISTERED OFFICE

Leicester South Fields College
Aylestone Road
Leicester
LE2 7LW

BANKERS

The Co-operative Bank plc
5-9 Hotel Street
Leicester
LE1 5AT

SOLICITORS

Evershed Wells and Hind
14 Fletcher Gate
Nottingham
NG1 2FX

AUDITORS

Touche Ross & Co.
Chartered Accountants
St Johns House
East Street
Leicester
LE1 6NG

DIRECTORS' REPORT

The directors present their report and audited financial statements for the period ended 31 July 1994.

PRINCIPAL ACTIVITIES

The Company was incorporated on 4 February 1993.

The principal activities of the Company are:

- property investment;
- hairdressing salons;
- National Print Skills Centre;
- college shop.

REVIEW OF DEVELOPMENTS

During the period the company made a loss of £243,700. The directors anticipate that this result will be improved in the forthcoming year.

DIVIDENDS AND TRANSFERS TO RESERVES

There were no dividends paid or transfers made to reserves due to the loss made by the company.

FUTURE PROSPECTS

It is intended that the company shall become profitable in the following year and recover its losses.

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 have not held any shares or other interests in the company during the period.

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.



DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES (CONTINUED)

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

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

A. F. Warren

16/1/95

Director

A F WARREN



Chartered Accountants

Touche Ross & Co
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 5 to 10 which have been prepared under the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on pages 2 and 3 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 1994 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Chartered Accountants and
Registered Auditors

16 January 1995

PROFIT AND LOSS ACCOUNT
for the period from 4 February 1993
to 31 July 1994

	Note	1994 £
TURNOVER	2	394,417
Cost of sales		<u>363,756</u>
Gross profit		30,661
Administrative expenses		<u>(274,361)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(243,700)
Tax on loss on ordinary activities	3 4	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(243,700)
Retained loss brought forward		<u>-</u>
Retained loss carried forward		<u>(243,700)</u>

Both turnover and operating profit relate to continuing activities acquired in the period.



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period from 4 February 1993
to 31 July 1994

	Notes	1994 £
Deficit on continuing operations after depreciation of assets at valuation and tax		(243,700)
Unrealised surplus on revaluation of fixed assets	5	828,304
Total recognised gains relating to the period		<u>584,604</u>

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the period from 4 February 1993
to 31 July 1994

		1994 £
Loss for the financial period		(243,700)
Issue of shares		100
Other recognised gains and losses for the period	5	828,304
Closing shareholders' funds		<u>584,704</u>

BALANCE SHEET

31 July 1994

	Note	1994 £
FIXED ASSETS		
Tangible assets	5	<u>838,284</u>
CURRENT ASSETS		
Stocks	6	6,010
Debtors	7	<u>77,177</u>
		83,187
CREDITORS: amounts falling due within one year	8	<u>(336,767)</u>
NET CURRENT LIABILITIES		<u>(253,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>584,704</u>
CAPITAL AND RESERVES		
Share capital	11	100
Revaluation reserve	9	828,304
Profit and loss account	10	<u>(243,700)</u>
TOTAL EQUITY SHAREHOLDERS FUNDS		<u>584,704</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

R.J. Richmond
13.1.95

A. F. Warren
16/1/95

Directors

[R.J. RICHMOND]

A F WARREN



NOTES TO THE ACCOUNTS
period from 4 February 1993
to 31 July 1994

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.

Tangible fixed assets

Donated equipment is included in the balance sheet at valuation. Purchased equipment is 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.

Grants

Grants are recognised in the profit and loss account in the period in which they are received.

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 LOSS

18 months to
31 July 1994
£

Operating loss is after charging:

Depreciation	2,495
Auditors' remuneration	1,000
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Directors' remuneration is included in Leicester South Fields Further Education Corporation's financial statements. The directors of the company are also directors or employees of that Corporation. It is not practicable to allocate their remuneration between their services of the Corporation and their services of the Company.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no tax charge for the period.

There are tax losses to carry forward of £245,000 to set against future profits from the same trade.



NOTES TO THE ACCOUNTS
period from 4 February 1993
to 31 July 1994

5. TANGIBLE FIXED ASSETS

	1994 Equipment £
Cost	-
At 4 February 1993	12,475
Additions	828,304
Surplus on revaluation	<u>840,779</u>
At 31 July 1994	
Accumulated Depreciation	-
At 4 February 1993	2,495
Charge for the period	<u>2,495</u>
At 31 July 1994	
Net Book Value	838,284
At 31 July 1994	<u>-</u>
At 4 February 1993	<u>-</u>

6. STOCKS

	1994 £
Raw materials and consumables	<u>6,011</u>

7. DEBTORS

	1994 £
Due within one year	100
Called up share capital unpaid	45,494
Trade debtors	31,583
Amounts owed by parent Corporation	<u>77,177</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £
Owed to parent Corporation	<u>336,767</u>



NOTES TO THE ACCOUNTS
period from 4 February 1993
to 31 July 1994

9. REVALUATION RESERVE

	£
At 4 February 1993	-
Tangible fixed assets donated by suppliers	828,304
Release to profit and loss account	-
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At 31 July 1994	828,304
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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. PROFIT AND LOSS ACCOUNT

	£
At 4 February 1993	-
Retained loss for the period	(243,700)
	<hr/>
At 31 July 1994	(243,700)
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11. SHARE CAPITAL

	£
Authorised 100 ordinary shares of £1 each	100
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Issued, allotted and unpaid	100
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The company issued 100 ordinary equity shares in the period.

12. ULTIMATE PARENT CORPORATION

South Fields Enterprises Limited is owned by Leicester South Fields College.