

SOUTH FIELDS ENTERPRISES LIMITED

Company Registration No. 2786587

Annual Report and Financial Statements

Year ended 31 July 2003



SOUTH FIELDS ENTERPRISES LIMITED
REPORT AND FINANCIAL STATEMENTS 2003

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SOUTH FIELDS ENTERPRISES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Birch
S M Bruccianni
M L Davis

SECRETARY

D Grocock

REGISTERED OFFICE

Freemen's Park Campus
Aylestone Road
Leicester
LE2 7LW

BANKERS

Barclays Bank plc
P O Box 18
Old Market Square
Nottingham
NG1 6PZ

SOLICITORS

Eversheds
1 Royal Standard Place
Nottingham
NG1 6PZ

AUDITORS

Baker Tilly
Chartered Accountants
Park House
Station Square
Coventry
CV1 2NS

SOUTH FIELDS ENTERPRISES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2003.

ACTIVITIES

The principal activities of the company are property investment, National Print Skills Centre and commercial catering.

REVIEW OF DEVELOPMENTS

During the year, the company made a loss of £123,385 (2002: profit of £13,279) after a Deed of Covenant charge of £nil (2002: £52,930).

DIVIDENDS AND TRANSFERS TO RESERVES

There were no dividends paid or proposed during the year. Retained losses of £123,385 (2002: profit of £13,279) have been taken to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year were as follows:

C Birch
J S Matharu
M L Davis
S M Bruccianni

J Matharu resigned 18 March 2003

S M Bruccianni was appointed 18 March 2003 and resigned 24 September 2003

The directors do not have any interests in the shares of the company.

SOUTH FIELDS ENTERPRISES LIMITED

DIRECTORS' REPORT (Continued)

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 the affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. 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;
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Freemen's Park Campus
Aylestone Road
Leicester
LE2 7LW

On behalf of the Board of Directors



C BIRCH
Director

12 January 2004

SOUTH FIELDS ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH FIELDS ENTERPRISES LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

This report is made solely for the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

SOUTH FIELDS ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH FIELDS ENTERPRISES LIMITED (Continued)

Basis of Opinion

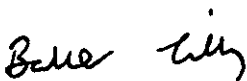
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also 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 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. However, the evidence available to us was limited because, despite the directors seeking to vary leasing arrangements as referred to in Note 1, advisors could not confirm whether this was possible. As explained in that note, the company is dependent on varying the leasing arrangements in order to continue in operational existence for the foreseeable future. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been necessary had we been able to obtain sufficient evidence concerning the feasibility of the variation referred to above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of our work relating to the feasibility of varying the leasing arrangements we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.



BAKER TILLY
Chartered Accountants and
Registered Auditors
Park House
Station Square
Coventry
CV1 2NS

12 January 2004

SOUTH FIELDS ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 July 2003

	Notes	Year ended 31 July 2003 £	Year ended 31 July 2002 £
Turnover	2	596,644	1,126,988
Cost of sales		(197,549)	(526,118)
Gross profit		399,095	600,870
Administrative expenses		(522,480)	(587,591)
Operating (loss)/profit	3	(123,385)	13,279
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit on ordinary activities after taxation	9	(123,385)	13,279

The above results are derived from continuing activities.

There are no recognised gains or losses for the current or prior year except as stated in the profit and loss account above.

SOUTH FIELDS ENTERPRISES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS for the year ended 31 July 2003

	Year ended 31 July 2003	Year ended 31 July 2002
	£	£
(Loss)/profit for the financial year and net (reduction)/addition to shareholder's funds	(123,385)	13,279
Net (reduction)/addition in shareholder's funds		
Opening shareholder's funds	19,474	6,195
Closing shareholder's funds	<u>(103,911)</u>	<u>19,474</u>

SOUTH FIELDS ENTERPRISES LIMITED

BALANCE SHEET

As at 31 July 2003

	Notes	2003 £	2002 £
Fixed Assets			
Tangible assets	5	<u>137,780</u>	<u>195,934</u>
Current Assets			
Stocks	6	504	12,855
Debtors	7	68,524	50,365
Cash at bank and in hand		<u>35,682</u>	<u>56,209</u>
		104,710	119,429
Creditors: Amounts falling due within one year	8	<u>(346,401)</u>	<u>(295,889)</u>
Net current liabilities		<u>(241,691)</u>	<u>(176,460)</u>
Net (liabilities)/assets		<u>(103,911)</u>	<u>19,474</u>
Capital and reserves			
Share capital	10	100	100
Profit and loss account	9	(104,011)	19,374
Total equity shareholder's (deficit)/funds		<u>(103,911)</u>	<u>19,474</u>

These financial statements were approved by the Board of Directors on 12 January 2004

Signed on behalf of the Board of Directors

C Birch

C BIRCH
Director

SOUTH FIELDS ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2003

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

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Building improvements	between 5 to 14 years
Plant and equipment	over 5 years

Stocks

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

Going concern

The directors intend to vary the lease agreements relating to property partially occupied by the company. The feasibility of this course of action is currently being investigated. If this is possible, it is anticipated that this will generate savings in rental and service charge costs which will over time enable the company to return to profitability. The accounts have accordingly been prepared on a going concern basis.

2. TURNOVER

Turnover represented 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.

SOUTH FIELDS ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OPERATING (LOSS)/PROFIT

	Year ended 31 July 2003 £	Year ended 31 July 2002 £
Operating (loss)/profit is after charging:		
Depreciation	58,184	17,557
Auditors' remuneration	<u>2,650</u>	<u>2,650</u>

Directors' remuneration is included in Leicester 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 (LOSS)/PROFIT ON ORDINARY ACTIVITIES

There is no tax charge for the year.

Included within administrative expenses is a deed of covenant charge of £nil (2002: £52,930).

SOUTH FIELDS ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TANGIBLE FIXED ASSETS

	Building Improvements £	Plant and Equipment £	Total £
Cost or valuation			
At 1 August 2002	44,277	992,341	1,036,618
Additions	-	-	-
At 31 July 2003	<u>44,277</u>	<u>992,341</u>	<u>1,036,618</u>
Accumulated depreciation			
At 1 August 2002	6,423	834,261	840,684
Charge for the year	10,093	48,061	58,154
At 31 July 2003	<u>16,516</u>	<u>882,322</u>	<u>898,838</u>
Net book value			
At 31 July 2003	<u>27,761</u>	<u>110,019</u>	<u>137,780</u>
At 31 July 2002	<u>37,854</u>	<u>158,080</u>	<u>195,934</u>

Tangible fixed assets include plant and equipment at a valuation of £775,761. These assets were donated to the company and therefore have a historical cost of nil. The net book value of these assets at the year end is £Nil (2002: Nil).

The transitional rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS 15. Accordingly the book values at implementation have been retained.

6. STOCKS

	2003 £	2002 £
Raw materials and consumables	<u>504</u>	<u>12,855</u>

SOUTH FIELDS ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. DEBTORS

	2003 £	2002 £
Due within one year:		
Trade debtors	51,584	33,366
Other debtors	16,940	16,999
	<u>68,524</u>	<u>50,365</u>

8. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	18,097	21,101
Accruals	-	11,334
Owed to parent Corporation	323,304	263,454
Other creditors	5,000	-
	<u>346,401</u>	<u>295,889</u>

9. STATEMENT OF MOVEMENTS ON RESERVES

	Year ended 31 July 2003 £	Year ended 31 July 2002 £
At 1 August	19,374	6,095
(Loss)/profit for the year	(123,385)	13,279
At 31 July	<u>(104,011)</u>	<u>19,374</u>