



SOUTH FIELDS ENTERPRISES LIMITED

Report and Financial Statements

Year ended 31 July 1999



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

**REPORT AND FINANCIAL STATEMENTS 1999****CONTENTS****Page**

<i>Officers and professional advisers</i>	1
<i>Directors' report</i>	2
<i>Auditors' report</i>	4
<i>Profit and loss account</i>	5
<i>Reconciliation of movements in shareholders' funds</i>	6
<i>Note of historical cost profits and losses</i>	6
<i>Balance sheet</i>	7
<i>Notes to the accounts</i>	8



REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Birch
C Morris

SECRETARY

K Chauhan

REGISTERED OFFICE

Aylestone Road
Leicester
LE2 7LW

BANKERS

Barclays Bank plc
PO Box 18
Old Market Square
Nottingham
NG1 6FF

SOLICITORS

Eversheds
1 Royal Standard Place
Nottingham
NG1 6PZ

AUDITORS

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



DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 July 1999.

ACTIVITIES

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

REVIEW OF DEVELOPMENTS

During the year the company made a loss of £166,514 (1998 £166,852) after a Deed of Covenant charge of £103,822 (1998: £141,932).

DIVIDENDS AND TRANSFERS TO RESERVES

There were no dividends paid or proposed during the year. Retained losses of £166,514 (1998 £166,852) have been taken to reserves.

DIRECTORS AND THEIR INTERESTS

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

D R Grocock (resigned 31 December 1998)

E P Iliffe (resigned 30 April 1999)

C Birch

C Morris

None of the directors have any interest in the shares of the company.

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.

**DIRECTORS' REPORT****YEAR 2000 COMPLIANCE**

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

All associated expenses of compliance have been written off in the period in which they were incurred.



K Chauhan
Secretary

22-3-2000



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 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 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

28 March 2000


PROFIT AND LOSS ACCOUNT
Year ended 31 July 1999

	Note	1999 £	1998 £
TURNOVER	2	848,845	879,835
Cost of sales		492,766	489,938
Gross profit		<u>356,079</u>	<u>389,897</u>
Administrative expenses		<u>(522,593)</u>	<u>(556,749)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(166,514)	(166,852)
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(166,514)</u>	<u>(166,852)</u>

Both turnover and operating loss relate to 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.


RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 July 1999

	1999 £	1998 £
Balance at 1 August	248,272	415,124
Loss for the financial year	(166,514)	(166,852)
Closing shareholders' funds	<u>81,758</u>	<u>248,272</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 July 1999

	1999 £	1998 £
Loss on ordinary activities before taxation	(166,514)	(166,852)
Difference between the historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	165,661	165,661
Realisation of revaluation	<u>5,254</u>	<u>-</u>
Historical cost profit/(loss) before taxation	<u>4,401</u>	<u>(1,191)</u>


BALANCE SHEET
31 July 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	5	104,653	259,192
CURRENT ASSETS			
Stocks	6	9,227	7,123
Debtors	7	302,679	278,373
Cash at bank and in hand		290,952	323,927
		602,858	609,423
CREDITORS: amounts falling due within one year	8	(625,753)	(620,343)
NET CURRENT LIABILITIES		(22,895)	(10,920)
TOTAL ASSETS LESS CURRENT LIABILITIES		81,758	248,272
CAPITAL AND RESERVES			
Share capital	10	100	100
Revaluation reserve	9	77,576	248,491
Profit and loss account	9	4,082	(319)
TOTAL EQUITY SHAREHOLDERS FUNDS		81,758	248,272

These financial statements were approved by the Board of Directors on 22 - 3 - 1999

Signed on behalf of the Board of Directors

C Birch
Director



NOTES TO THE ACCOUNTS

Year ended 31 July 1999

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 LOSS

	1999 £	1998 £
Operating loss is after charging:		
Depreciation	172,785	171,131
Auditors' remuneration	1,729	1,654
	<u>174,514</u>	<u>172,785</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 LOSS ON ORDINARY ACTIVITIES

There is no tax charge for the year.

Included within administrative expenses is a deed of covenant charge of £103,822 (1998: £141,932).



NOTES TO THE ACCOUNTS
Year ended 31 July 1999

5. TANGIBLE FIXED ASSETS

	1999 Equipment £
Cost or valuation	
At 1 August 1998	857,160
Additions	24,550
Disposals	(62,100)
	<hr/>
At 31 July 1999	819,610
	<hr/>
Accumulated Depreciation	
At 1 August 1998	597,968
Charge for the year	172,785
Disposals	(55,796)
	<hr/>
At 31 July 1999	714,957
	<hr/>
Net Book Value	
At 31 July 1999	104,653
	<hr/>
At 31 July 1998	259,192
	<hr/>

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 £77,576 (1998: £248,492).

6. STOCKS

	1999 £	1998 £
Raw materials and consumables	9,227	7,123
	<hr/>	<hr/>

7. DEBTORS

	1999 £	1998 £
Due within one year		
Trade debtors	38,196	35,793
Amounts owed by parent Corporation	260,573	238,877
Other debtors	3,910	3,703
	<hr/>	<hr/>
	302,679	278,373
	<hr/>	<hr/>


NOTES TO THE ACCOUNTS
Year ended 31 July 1999
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Trade creditors	21,007	18,170
Accruals	6,129	20,676
Owed to parent Corporation	574,738	548,853
Other creditors	23,879	32,644
	<u>625,753</u>	<u>620,343</u>

9. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Revaluation Reserve £
At 1 August 1998	(319)	248,491
Loss for the year	(166,514)	-
Transfer to profit and loss account	170,915	(170,915)
At 31 July 1999	<u>4,082</u>	<u>77,576</u>

On 31 July 1994 equipment donated to the company for the National Printing 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 1999 £	31 July 1998 £
Authorised 100 ordinary shares of £1 each	100	100
Issued, allotted and paid	100	1
Issued, allotted and unpaid	-	99

11. ULTIMATE PARENT CORPORATION AND CONTROLLING PARTY

South Fields Enterprises Limited is a wholly owned subsidiary of Leicester South Fields College and included in that college's consolidated financial statements. Consolidated accounts are available from Leicester South Fields College, Aylestone Road, Leicester, LE2 7LW, the college and subsidiary company's principal place of business.