

SOUTH FIELDS ENTERPRISES LIMITED

Company Registration No. 2786587

Report and Financial Statements

Year ended 31 July 2002



SOUTH FIELDS ENTERPRISES LIMITED

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SOUTH FIELDS ENTERPRISES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Birch
J S Matharu
M L Davis

SECRETARY

R Smith

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 2002.

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 Profit of £13,279 (2001: profit of £3,450) after a Deed of Covenant charge of £52,930 (2001: £236,751).

DIVIDENDS AND TRANSFERS TO RESERVES

There were no dividends paid or proposed during the year. Retained profit of £13,279 (2001: profit of £3,450 taken to reserves).

DIRECTORS AND THEIR INTERESTS

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

C Birch

J S Matharu (appointed 30 January 2002)

M L Davis (appointed 30 January 2002)

The directors do not 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 the 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.

SOUTH FIELDS ENTERPRISES LIMITED

DIRECTORS' REPORT (Continued)

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.

Freemen's Park Campus
Aylestone Road
Leicester
LE2 7LW

On behalf of the Board of Directors

C Birch C BIRCH

1 April 2003 Director

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.

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.

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.

SOUTH FIELDS ENTERPRISES LIMITED

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

Basis of opinion (Continued)

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

Baker Tilly
Registered Auditors
Chartered Accountants

Coventry

4 April 2003

SOUTH FIELDS ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 July 2002

	<i>Notes</i>	Year ended 31 July 2002	Year ended 31 July 2001
		£	£
Turnover	2	1,126,988	1,165,808
Cost of sales		526,118	430,356
Gross profit		<u>600,870</u>	<u>735,452</u>
Administrative expenses		<u>(587,591)</u>	<u>(732,002)</u>
Operating profit	3	13,279	3,450
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation	9	<u>13,279</u>	<u>3,450</u>

Both turnover and operating profit 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.

SOUTH FIELDS ENTERPRISES LIMITED

BALANCE SHEET **As at 31 July 2002**

	Notes	2002 £	2001 £
Fixed Assets			
Tangible assets	5	<u>195,934</u>	<u>187,353</u>
Current Assets			
Stocks	6	12,855	18,863
Debtors	7	437,026	493,525
Cash at bank and in hand		<u>56,209</u>	<u>8,378</u>
		506,090	520,766
Creditors: Amounts falling due within one year	8	<u>(682,550)</u>	<u>(701,924)</u>
Net current liabilities		<u>(176,460)</u>	<u>(181,158)</u>
Total assets less current liabilities		<u>19,474</u>	<u>6,195</u>
Capital and reserves (equity)			
Share capital	10	100	100
Profit and loss account	9	<u>19,374</u>	<u>6,095</u>
Total equity shareholders funds		<u>19,474</u>	<u>6,195</u>

These financial statements were approved by the Board of Directors on 1st April 2003

Signed on behalf of the Board of Directors

C BIRCH

C Birch

Director

1 April 2003

SOUTH FIELDS ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2002

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 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.

3. OPERATING LOSS

	2002	2001
	£	£
Operating profit is after charging:		
Depreciation	17,557	21,881
Auditors' remuneration	2,650	2,000

SOUTH FIELDS ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS (Continued)

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 PROFIT ON ORDINARY ACTIVITIES

There is no tax charge for the year.

Included within administrative expenses is a deed of covenant charge of £52,930 (2001: £236,751).

5. TANGIBLE FIXED ASSETS

	Plant and Equipment £
Cost or valuation	
At 1 August 2001	1,010,480
Additions	26,138
At 31 July 2002	<u>1,036,618</u>
Accumulated depreciation	
At 1 August 2001	823,127
Charge for the year	17,557
At 31 July 2002	<u>840,684</u>
Net book value	
At 31 July 2002	<u>195,934</u>
At 31 July 2001	<u>187,353</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 (2001: 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.

SOUTH FIELDS ENTERPRISES LIMITED
NOTES TO THE ACCOUNTS (Continued)

6. STOCKS

	2002	2001
	£	£
Raw materials and consumables	12,855	18,863

7. DEBTORS

	2002	2001
	£	£
Due within one year		
Trade debtors	33,366	124,591
Amounts owed by parent Corporation	386,661	364,625
Other debtors	16,999	4,309
	<u>437,026</u>	<u>493,525</u>

8. CREDITORS: Amounts falling due within one year

	£	£
Trade creditors	21,101	55,091
Accruals	11,334	4,246
Owed to parent corporation	650,115	641,587
Other creditors	-	1,000
	<u>682,550</u>	<u>701,924</u>

9. STATEMENT OF MOVEMENTS ON RESERVES

	£	£
At 1 August 2001	6,095	2645
Profit for the year	13,279	3,450
At 31 July 2002	<u>19,374</u>	<u>6,095</u>

SOUTH FIELDS ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS (Continued)

10. SHARE CAPITAL

	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Issued, allotted and fully paid	100	100
	<hr/>	<hr/>

11. RECONCILIATION IN MOVEMENTS IN SHAREHOLDERS FUNDS

	2002	2001
	£	£
Profit for the year	13,279	3,450
Opening shareholders funds	6,195	2,745
	<hr/>	<hr/>
Closing shareholders funds	19,474	6,195
	<hr/>	<hr/>

12. ULTIMATE PARENT CORPORATION AND CONTROLLING PARTY

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

The company has taken advantage of the exemptions not to disclose any transactions with its parent undertaking conferred by Financial Reporting Standard No.8 on the grounds that the company's results are included in the consolidated accounts of the parent undertaking.