

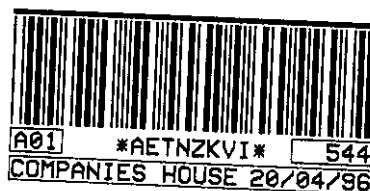


SOUTH FIELDS ENTERPRISES LIMITED

Report and Financial Statements

Year ended 31 July 1995

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



**REPORT AND FINANCIAL STATEMENTS 1995**

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr A F Warren
Mr D Grocock

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 1995.

ACTIVITIES

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

REVIEW OF DEVELOPMENTS

During the year the company made a loss of £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 loss of £131,534 have been deducted from 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 10% per annum.

DIRECTORS AND THEIR INTERESTS

The directors have not held any shares or other interests in the company during the year.

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

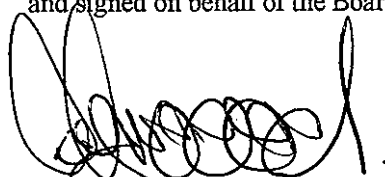
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

25/3/96



Chartered Accountants

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

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Telecopier (Gp. 3): 0116 255 2055

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 1995 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

28/3/96


PROFIT AND LOSS ACCOUNT
Year ended 31 July 1995

	Note	12 months to 31 July 1995 £	18 months to 31 July 1994 £
TURNOVER	2	481,993	394,417
Cost of sales		409,636	363,756
Gross profit		<u>72,357</u>	<u>30,661</u>
Administrative expenses		<u>(203,891)</u>	<u>(274,361)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(131,534)	(243,700)
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(131,534)</u>	<u>(243,700)</u>
Retained loss brought forward		<u>(243,700)</u>	-
Retained loss carried forward	9	<u>(375,234)</u>	<u>(243,700)</u>

Both turnover and operating profit relate to continuing activities.


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 July 1995

	1995 £	1994 £
Loss for the financial year	(131,534)	(243,700)
Unrealised surplus on revaluation of fixed assets	-	828,304
Total recognised losses relating to the year	<u>(131,534)</u>	<u>584,604</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 July 1995

	1995 £	1994 £
Balance at 1 August 1994	584,704	-
Loss for the financial year	(131,534)	(243,700)
Issue of shares	-	100
Other recognised gains and losses for the year	-	828,304
Closing shareholders' funds	<u>453,170</u>	<u>584,704</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 July 1995

	1995 £	1994 £
Loss on ordinary activities before taxation	(131,534)	(243,700)
Difference between the historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	82,830	-
Historical cost loss before taxation	<u>(48,704)</u>	<u>(243,700)</u>



BALANCE SHEET

31 July 1994

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	5	<u>754,206</u>	<u>838,284</u>
CURRENT ASSETS			
Stocks	6	10,917	6,010
Debtors	7	40,183	77,177
Cash at bank and in hand		<u>55,694</u>	<u>-</u>
		106,794	83,187
CREDITORS: amounts falling due within one year	8	<u>(407,830)</u>	<u>(336,767)</u>
NET CURRENT LIABILITIES		<u>(301,036)</u>	<u>(253,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>453,170</u>	<u>584,704</u>
CAPITAL AND RESERVES			
Share capital	10	100	100
Revaluation reserve		745,474	828,304
Profit and loss account	9	<u>(292,404)</u>	<u>(243,700)</u>
TOTAL EQUITY SHAREHOLDERS FUNDS		<u>453,170</u>	<u>584,704</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

A. F. Warren

25/3/96

Mr A F Warren

Director



NOTES TO THE ACCOUNTS

Year ended 31 July 1995

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 10% per annum. Purchased equipment is also depreciated over its useful economic life at 10% 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

	12 months to 31 July 1995	18 months to 31 July 1994
	£	£
Operating loss is after charging:		
Depreciation	84,078	2,495
Auditors' remuneration	1,000	1,000
	<u> </u>	<u> </u>

Directors' remuneration is included in Leicester South Fields College's financial statements. The directors of the company are also directors 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.

There are tax losses to carry forward of £290,000 to set against future profits.

NOTES TO THE ACCOUNTS
Year ended 31 July 1995

5. TANGIBLE FIXED ASSETS

	1995 Equipment £
Cost or valuation	
At 1 August 1994 and 31 July 1995	<u>840,779</u>
Accumulated Depreciation	
At 1 August 1994	2,495
Charge for the year	<u>84,078</u>
At 31 July 1995	<u>86,573</u>
Net Book Value	
At 31 July 1995	<u>754,206</u>
At 31 July 1994	<u>838,284</u>

6. STOCKS

	1995 £	1994 £
Raw materials and consumables	<u>10,917</u>	<u>6,010</u>

7. DEBTORS

	1995 £	1994 £
Due within one year		
Called up share capital unpaid	100	100
Trade debtors	38,028	45,494
Other debtors	2,055	
Amounts owed by parent Corporation	<u>-</u>	<u>31,583</u>
	<u>40,183</u>	<u>77,177</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Owed to parent Corporation	<u>407,830</u>	<u>336,767</u>



NOTES TO THE ACCOUNTS

Year ended 31 July 1995

9. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Revaluation Reserve £
At 1 August 1994	(243,700)	828,304
Loss for the year	(131,534)	-
Transfer to profit and loss account	<u>82,830</u>	<u>(82,830)</u>
At 31 July 1995	<u>(292,404)</u>	<u>745,474</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 1995 and 31 July 1994
Authorised 100 ordinary shares of £1 each	<u>100</u>
Issued, allotted and unpaid	<u>100</u>

11. ULTIMATE PARENT CORPORATION

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