

Hadleigh Products Limited
Financial Statements
Year Ended 31 July 1997

Company Registration No 2863205



Hadleigh Products Limited
Directors' Report
Year Ended 31 July 1997

The directors present their report together with Financial Statements for the year ended 31 July 1997.

Principal Activity

The principal activity of the company during the year was the continuation of construction work pertaining to its lease of part of Kingston University's Kingston Hill site.

Review of Business and likely future Developments

Commercial development of the Kingston Hill site continued during the year, the intention being to generate income from the granting of a sublease over the property on completion.

Results and dividends

There was a profit for the year amounting to £2,196. No dividends were paid during the year (1996: £Nil).

Directors

The directors who served during the year are:

Mr A Seth
Dr R C Smith CBE

Directors' Interests

Neither of the directors had beneficial interest in any group company at any time during the year.

Responsibilities of the Directors

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 these 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 a going concern basis unless it is inappropriate to presume 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

A resolution for the reappointment of Deloitte & Touche is to be proposed at the forthcoming Annual General meeting.

Approved by the Board of Directors on 21 November 1997 and signed on behalf of the Board
By:

A handwritten signature in black ink, appearing to read 'Dr R C Smith', written in a cursive style.

Dr R C Smith CBE

**Auditors' Report to the Members of
Hadleigh Products Limited
Year Ended 31 July 1997**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 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 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 an 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 judgments 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 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 the 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors

21 November 1997

Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA

Hadleigh Products Limited
Profit and Loss Account
For the Year Ended 31 July 1997

| | | 1997 | 1996 |
|---|-------|---------------------|--------------------|
| | Notes | £ | £ |
| Turnover | 1 | 3,329 | - |
| Cost of sales | | <u>(3,667)</u> | <u>-</u> |
| Gross loss | | (338) | - |
| Administrative expenses | | <u>(480)</u> | <u>(59)</u> |
| Operating loss | | (818) | (59) |
| Interest receivable | | 3,014 | - |
| Profit/(loss) on ordinary activities before and after taxation | 3,9 | <u><u>2,196</u></u> | <u><u>(59)</u></u> |

All results are those of continuing operations.

There were no recognised gains or losses or other movements in shareholders' funds in this or the preceding year other than those shown above.

Hadleigh Products Limited
Balance Sheet
As at 31 July 1997

| | Notes | 1997 | 1996 |
|--|-------|-------------------|------------------|
| | | £ | £ |
| Fixed assets | 6 | 10,680,520 | 1,685,939 |
| Current assets | | | |
| Debtors | 7 | 263,164 | 177,999 |
| Cash at bank and in hand | | <u>281,791</u> | <u>79,484</u> |
| | | 544,955 | 257,483 |
| Creditors: amounts falling due within one year | 8 | <u>11,230,539</u> | <u>1,950,682</u> |
| Net current liabilities | | (10,685,584) | (1,693,199) |
| Total assets less current liabilities | | <u>(5,064)</u> | <u>(7,260)</u> |
| Represented by: | | | |
| Called up share capital | 9 | 1,000 | 1,000 |
| Profit and loss account | 9 | (6,064) | (8,260) |
| Equity shareholders' deficit | 9 | <u>(5,064)</u> | <u>(7,260)</u> |

These financial statements were approved by the Board of Directors on 21 November 1997.

Signed on behalf of the Board of Directors:



Dr R C Smith CBE

Hadleigh Products Limited
Notes to the Financial Statements
Year Ended 31 July 1997

1. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b) Tangible Fixed Assets

Land is held freehold and is not depreciated as it is considered to have an indefinite useful economic life. Freehold buildings are capitalised and depreciated over their estimated useful lives, which are considered to be 50 years.

c) Capitalisation of Interest

Interest costs on borrowings associated with major construction projects are capitalised during the period of construction.

d) Turnover

Turnover represents amounts billed and accrued for services rendered excluding VAT.

All turnover derives from activities in the UK.

e) Going Concern

The directors are satisfied that the company will continue to be a going concern as the company's business plan indicates that it will generate profits in the near future. The directors have no reason to believe that the business plan will not be achieved.

2. Staff

The directors were the only employees of the company during the year. Neither of the directors received any emoluments during the year.

Hadleigh Products Limited
Notes to the Financial Statements (continued)
Year Ended 31 July 1997

3. Profit /(loss) on ordinary activities before and after taxation

The profit/(loss) on ordinary activities before and after taxation is stated after charging :

| | 1997 | 1996 |
|-----------|------------|----------|
| | £ | £ |
| Audit fee | <u>450</u> | <u>-</u> |

The 1996 audit fee was borne by the company's parent undertaking, Kingston University.

4. Interest

| | 1997 | 1996 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Finance costs capitalised | <u>57,446</u> | <u>12,184</u> |

5. Taxation

There is no liability to corporation tax as there are losses brought forward of £8,260 (1996 £8,201).

6. Fixed Assets

Freehold Land
and Buildings
£

Cost

| | |
|---------------------|-------------------|
| As at 1 August 1996 | 1,685,939 |
| Additions | <u>8,994,581</u> |
| As at 31 July 1997 | <u>10,680,520</u> |

Net Book Value

| | |
|--------------------|-------------------|
| As at 31 July 1997 | <u>10,680,520</u> |
| As at 31 July 1996 | <u>1,685,939</u> |

The cost of land and buildings includes £69,630 in respect of interest capitalised (1996 £12,184).

Hadleigh Products Limited
Notes to the Financial Statements (continued)
Year Ended 31 July 1997

| 7. Debtors | 1997 | 1996 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Prepayments and accrued income | 3,014 | - |
| Other debtors | <u>260,150</u> | <u>177,999</u> |
| | <u>263,164</u> | <u>177,999</u> |

| 8. Creditors: amounts falling due within one year | 1997 | 1996 |
|---|-------------------|------------------|
| | £ | £ |
| Amounts due to parent undertaking | 10,438,830 | 1,296,385 |
| Accruals and deferred income | <u>791,709</u> | <u>654,297</u> |
| | <u>11,230,539</u> | <u>1,950,682</u> |

9. Reconciliation of movements in shareholders' funds

| | Share Capital £ | Profit and Loss Account £ | Total £ |
|---------------------|-----------------------|---------------------------------|----------------|
| At 1 August 1995 | 1,000 | (8,201) | (7,201) |
| Loss for the year | <u>-</u> | <u>(59)</u> | <u>(59)</u> |
| At 31 July 1996 | 1,000 | (8,260) | (7,260) |
| Profit for the year | <u>-</u> | <u>2,196</u> | <u>2,196</u> |
| At 31 July 1997 | <u>1,000</u> | <u>(6,064)</u> | <u>(5,064)</u> |

The share capital consists of 1,000 authorised, allotted, called up and fully paid £1 ordinary shares.

Hadleigh Products Limited
Notes to the Financial Statements (continued)
Year Ended 31 July 1997

10. Ultimate Parent Undertaking

Hadleigh Products Limited is a wholly owned subsidiary of Kingston University Higher Education Corporation, which was created under the terms of the Further and Higher Education Act 1992. Consolidated Financial Statements for the University can be obtained by writing to:

The Finance Director
Kingston University
53-57 High Street
Kingston Upon Thames
Surrey KT1 1LQ

Kingston University Higher Education Corporation is considered to be the controlling and ultimate controlling party of Hadleigh Products Limited.

11. Related Parties

The company has taken advantage of the exemption under FRS8 in not disclosing transactions with entities that are part of the same group. The company is a wholly owned subsidiary and its results are included in the consolidated Financial Statements of Kingston University.