



UCN ENTERPRISES LIMITED

Company Number 3092244

DIRECTORS' REPORT AND ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2001



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UCN Enterprises Limited

Directors' Report and Annual Accounts for the Year Ended 31 July 2001

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UCN Enterprises Limited

Directors' Report

The directors present the Annual Accounts for the year ended 31 July 2001 and report thereon:

Incorporation

The Company is registered in England under the Company number 3092244.

The Company is a wholly owned subsidiary of University College Northampton Higher Education Corporation (UCN Higher Education Corporation).

Directors

The directors who served during the year were as follows:

Mr R J Aveling
Dr S M Gaskell
Mrs D A Hayes (appointed 30 November 2000)
Mr A D Woollcott.

The above directors had no interest in the share capital of the Company.

No director has been granted a right to subscribe for additional shares or debentures.

In accordance with the Articles of Association of the Company, none of the directors are required to retire by rotation.

Principal Activities

The principal activities of the Company are the provision of training courses and facility hire.

Review of the Results for the Year

Details of the results for the year are given on page six of the accounts.

At the year end, the Company is in a sound position for future trading. The directors believe the Company will continue as a going concern.

Significant Events since the Balance Sheet Date

The Directors do not consider that any event since the balance sheet date significantly affects the Company's financial position.

Proposed Dividends

The Directors recommend that no dividend be paid for the year.

Research and Development

The Company does not undertake any research and development activities.

Donations

There were no political donations made during the year. The Company is party to a Deed of Covenant between itself and UCN Higher Education Corporation whereby the surplus assessable to corporation tax for the year is covenanted to the University College. The covenant amount for the year was £110,265.

UCN Enterprises Limited

Directors' Report - continued

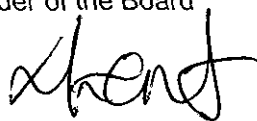
Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Small Company Exemptions

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



Mrs L Kent
Secretary

Pytchley Building
UCN Higher Education Corporation
Boughton Green Road
Northampton
NN2 7AL

UCN Enterprises Limited

Statement of 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 and of the profit or loss 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the Independent Auditors
to the Members of UCN Enterprises Limited

We have audited the financial statements on pages 5 to 10.

Respective Responsibilities of Directors and Independent Auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

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 2001 and of the result of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

Date: 12/12/01

UCN Enterprises Limited

Statement of Principal Accounting Policies

1. Basis of preparation

These accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention. The accounts have been prepared under the going concern concept because the parent company has agreed to provide adequate funds for the Company to meet its liabilities as they fall due.

2. Turnover

Turnover represents charges to external customers exclusive of Value Added Tax and trade discounts.

3. Stocks

Stocks are valued at the lower of cost or net realisable value.

4. Depreciation of fixed assets

Depreciation has been computed to write off the cost of fixed assets over their expected useful lives at the following rates:

Furniture, Fixtures & Fittings	5 - 8 years
Computer Equipment	3 years
Other Equipment	4 - 5 years

5. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

6. Debtors

Debtors are shown after providing for any amounts which the directors consider may not be collected in full.

7. Cash flow statement

The Company has taken advantage of the exemption contained within Financial Reporting Standard No. 1 from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company as defined by Section 247 of the Companies Act 1985.

8. Deferred tax

No provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to University College Northampton and, therefore, no deferred tax asset or liability will be realised in the Company.

UCN Enterprises Limited
Profit and Loss Account
For the Year Ended 31 July 2001

	Notes	2000/01 £	1999/00 £
Turnover		928,399	846,623
Cost of sales		<u>(457,367)</u>	<u>(352,506)</u>
Gross profit		471,032	494,117
Administrative expenses		<u>(453,019)</u>	<u>(422,235)</u>
Operating profit	1	<u>18,013</u>	<u>71,882</u>
Profit on ordinary activities		18,013	71,882
Deed of covenant	2	<u>(110,265)</u>	<u>(45,000)</u>
(Loss)/profit on ordinary activities before taxation		(92,252)	26,882
Taxation on ordinary activities		<u>0</u>	<u>0</u>
(Loss)/profit for the financial year after taxation		(92,252)	26,882
(Loss)/profit for the year	12	<u>(92,252)</u>	<u>26,882</u>

All of the Company's activities consist wholly of continuing activities.

The Company has no recognised gains or losses other than those shown on the profit and loss account above.

UCN Enterprises Limited
Balance Sheet as at 31 July 2001


	Notes	2001 £	2000 £
Fixed Assets			
Tangible assets	4	3,056	4,908
Current Assets			
Stocks	6	2,196	2,389
Debtors	7	214,816	221,869
Cash at bank and in hand		<u>18,145</u>	<u>34,886</u>
		235,157	259,144
Less creditors: amounts falling due within one year	8	<u>(310,184)</u>	<u>(243,771)</u>
Net current liabilities		<u>(75,027)</u>	<u>15,373</u>
Total assets less current liabilities		(71,971)	20,281
Less creditors: amounts falling due after more than one year	9	(3,839)	(3,839)
Net Liabilities		<u>(75,810)</u>	<u>16,442</u>
Represented by capital and reserves - equity:			
Called up share capital	11	100	100
Profit and loss account	12	(75,910)	16,342
Total Shareholders' Funds	13	<u>(75,810)</u>	<u>16,442</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on

5 December 2001

and signed on their behalf by:


R. J. Aveling
R J Aveling (Director)

UCN Enterprises Limited
Notes to the Accounts
For the Year Ended 31 July 2001

1. Operating profit

	2000/01	1999/00
	£	£
Operating profit is stated after charging:		
Depreciation	1,852	1,852
Auditors' remuneration	2,560	1,850

2. Deed of covenant

This represents the gross payment to UCN Higher Education Corporation, an exempt charity, which is the Company's ultimate parent company.

Payments totalling £110,265 were made under deed of covenant during the year.

3. Directors' emoluments

The Directors received no emoluments from the Company during the year.

4. Tangible assets

	<u>Furniture, Fixtures, Fittings & Equipment</u>	<u>Total</u>
	£	£
<u>Cost</u>		
At 1 August 2000	11,731	11,731
At 31 July 2001	<u>11,731</u>	<u>11,731</u>
<u>Depreciation</u>		
At 1 August 2000	6,823	6,823
Charge for the year	1,852	1,852
At 31 July 2001	<u>8,675</u>	<u>8,675</u>
<u>Net book value</u>		
At 31 July 2001	<u>3,056</u>	<u>3,056</u>
At 31 July 2000	<u>4,908</u>	<u>4,908</u>

UCN Enterprises Limited

Notes to the Accounts - continued For the Year Ended 31 July 2001

5. Details of parent undertaking

University College Northampton Higher Education Corporation
Boughton Green Road
Northampton
NN2 7AL

Constituted under the Education
Reform Act 1988

UCN Higher Education Corporation is the only group in which the results of the company are consolidated.

6. Stocks

	2001	2000
	£	£
Consumables - Bar Stock	<u>2,196</u>	<u>2,389</u>

7. Debtors

	2001	2000
	£	£
Trade debtors	219,117	216,493
Other debtors	2,699	5,376
Provision for bad debts	<u>(7,000)</u>	<u>0</u>
	<u>214,816</u>	<u>221,869</u>

8. Creditors: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	27,283	33,571
Amounts owed to group undertakings	175,389	124,815
Other creditors	61,356	46,868
Taxation and Social Security	<u>46,156</u>	<u>38,517</u>
	<u>310,184</u>	<u>243,771</u>

9. Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Other creditors	<u>3,839</u>	<u>3,839</u>

UCN Enterprises Limited

Notes to the Accounts - continued

For the Year Ended 31 July 2001

10. Provisions

As explained in note 8 of the accounting policies, no provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to University College Northampton and, therefore, no deferred tax asset or liability will be realised in the Company.

11. Share capital

	2001	2000
	£	£
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. Reserves

	£
Balance at 1 August 2000	16,342
Loss for the financial year	<u>(92,252)</u>
Balance at 31 July 2001	<u>(75,910)</u>

13. Reconciliation of movement on shareholders' funds

	2001	2000
	£	£
(Loss)/profit for the financial year after taxation	(92,252)	26,882
Opening shareholders' funds at 1 August 2000	<u>16,442</u>	<u>(10,440)</u>
Closing shareholders' funds at 31 July 2001	<u>(75,810)</u>	<u>16,442</u>

14. Related party transactions

No disclosure has been made of transactions with UCN Higher Education Corporation as UCN Enterprises Limited is a wholly owned subsidiary of UCN Higher Education Corporation. The consolidated accounts of UCN Higher Education Corporation are publicly available from the following address:

UCN Higher Education Corporation
Boughton Green Road
Northampton
NN2 7AL