



University College
NORTHAMPTON

UCN ENTERPRISES LIMITED

(FORMERLY NENE COLLEGE ENTERPRISES LIMITED)

DIRECTORS' REPORT AND ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000



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UCN Enterprises Limited

Directors' Report and Annual Accounts for the Year Ended 31 July 2000

<u>Contents</u>	<u>Page</u>
Directors' Report	1 - 2
Statement of Directors' Responsibilities	3
Report of the Auditors	4
Statement of Principal Accounting Policies	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Accounts	8 - 10

UCN Enterprises Limited

Directors' Report

The directors present the Annual Accounts for the year ended 31 July 2000 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
Professor R J Whitrow - resigned 28 April 2000
Mr A D Woolcott.

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.

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 £45,000.

UCN Enterprises Limited

Directors' Report - continued

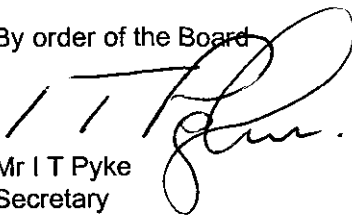
Auditors

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

A handwritten signature in black ink, appearing to read 'I T Pyke', is written over the text 'By order of the Board'.

Mr I T Pyke
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 Auditors
to the Members of UCN Enterprises Limited

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

Respective Responsibilities of Directors and 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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Group 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 2000 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors

Date: 30/11/2000

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.

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.

UCN Enterprises Limited
Profit and Loss Account
For the Year Ended 31 July 2000

	Notes	1999/00 £	1998/99 £
Turnover		846,623	914,071
Cost of sales		<u>(352,506)</u>	<u>(422,792)</u>
Gross profit		494,117	491,279
Administrative expenses		<u>(422,235)</u>	<u>(419,369)</u>
Operating profit	1	<u>71,882</u>	<u>71,910</u>
Profit on ordinary activities		71,882	71,910
Deed of covenant	2	<u>(45,000)</u>	<u>(71,145)</u>
Profit/(loss) on ordinary activities before taxation		26,882	765
Taxation on ordinary activities		<u>0</u>	<u>0</u>
Profit/(loss) for the financial year after taxation		26,882	765
Profit/(loss) for the year	11	<u>26,882</u>	<u>765</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 2000

	Notes	2000 £	1999 £
Fixed Assets			
Tangible assets	4	4,908	6,760
Current Assets			
Stocks	6	2,389	2,539
Debtors	7	221,869	284,445
Cash at bank and in hand		34,886	150
		<u>259,144</u>	<u>287,134</u>
Less creditors: amounts falling due within one year	8	<u>(243,771)</u>	<u>(300,495)</u>
Net current liabilities		<u>15,373</u>	<u>(13,361)</u>
Total assets less current liabilities		20,281	(6,601)
Less creditors: amounts falling due after more than one year	9	(3,839)	(3,839)
Net Liabilities		<u>16,442</u>	<u>(10,440)</u>


Represented by capital and reserves - equity:

Called up share capital	10	100	100
Profit and loss account		16,342	(10,540)
Total Shareholders' Funds	11	<u>16,442</u>	<u>(10,440)</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

and signed on their behalf by:

30th November 2000 
R. J. Aveling
R J Aveling (Director)

UCN Enterprises Limited

Notes to the Accounts For the Year Ended 31 July 2000

1. Operating profit

	1999/00	1998/99
Operating profit is stated after charging:	£	£
Depreciation	1,852	1,852
Auditors' remuneration	1,850	2,000

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 £45,000 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 1999	11,731	11,731
At 31 July 2000	<u>11,731</u>	<u>11,731</u>
<u>Depreciation</u>		
At 1 August 1999	4,971	4,971
Charge for the year	1,852	1,852
At 31 July 2000	<u>6,823</u>	<u>6,823</u>
<u>Net book value</u>		
At 31 July 2000	<u>4,908</u>	<u>4,908</u>
At 31 July 1999	<u>6,760</u>	<u>6,760</u>

UCN Enterprises Limited

Notes to the Accounts - continued For the Year Ended 31 July 2000

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

	2000	1999
	£	£
Consumables - Bar Stock	2,389	2,539

7. Debtors

	2000	1999
	£	£
Trade debtors	216,493	279,969
Other debtors	5,376	4,476
	<u>221,869</u>	<u>284,445</u>

8. Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank overdraft	0	8,322
Trade creditors	33,571	45,827
Amounts owed to group undertakings	124,815	151,981
Other creditors	46,868	60,729
Taxation and Social Security	38,517	33,636
	<u>243,771</u>	<u>300,495</u>

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

	2000	1999
	£	£
Other creditors	3,839	3,839

UCN Enterprises Limited

Notes to the Accounts - continued For the Year Ended 31 July 2000

10. Share capital	2000	1999
	£	£
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>
11. Reconciliation of movement on shareholders' funds	2000	1999
	£	£
Profit/(loss) for the financial year after taxation	26,882	765
Opening shareholders' funds at 1 August 1999	<u>(10,440)</u>	<u>(11,205)</u>
Closing shareholders' funds at 31 July 2000	<u>16,442</u>	<u>(10,440)</u>

12. 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