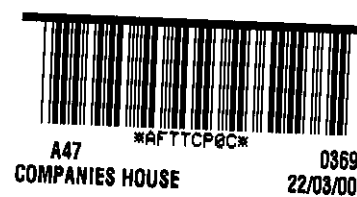


GLOBALSCREEN LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1999**

REGISTERED NUMBER 3221469



**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 JULY 1999**

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GLOBALSCREEN LIMITED

Report of the Directors for the year ended 31 July 1999

The directors present herewith their report and the audited financial statements of Globalscreen Limited for the year ended 31 July 1999.

Principal activities

The company's principal activities are the provision of educational facilities to the Higher Education sector.

Review of the Business

Turnover for the year was £232,500 leading to an operating profit of £10,488. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the period were:-

Professor Jeffrey Richard Brown
Mr. Ian Maurice Burns

Directors' interests in shares

No director had any disclosable interest in the shares of the company during the period.

Year 2000

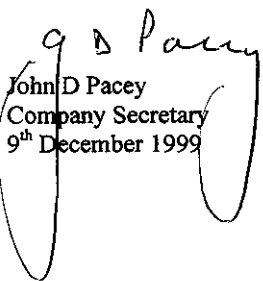
The Board is aware of the importance of and the effect that this issue presents to many areas of its business, both from the internal perspective and also its relationship with the outside world.

As a consequence of this, the Board has taken specific and timely measures to attempt to anticipate and address known and foreseeable problem areas which affect its operations. An extensive programme of testing systems and a programme for vetting suppliers has been completed. Any system found to be non-compliant during the analysis has been replaced or made compliant. However, no set of measures can absolutely guarantee coverage of all the issues involved.

Auditors

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

BY ORDER OF THE BOARD


John D Pacey
Company Secretary
9th December 1999

Langham Tower
Ryhope Road
SUNDERLAND

GLOBALSCREEN LIMITED

Directors' statement of 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 year. 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 a 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.

GLOBALSCREEN LIMITED

Report of the Auditors, KPMG, to the members of Globalscreen Limited.

We have audited the financial statements on pages 4 to 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 our 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 amount 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 mis-statement, 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 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Quayside House
110 The Quayside
Newcastle-Upon-Tyne

KPMG/

KPMG
Chartered Accountants
Registered Auditors

9th December 1999

GLOBALSCREEN LIMITED

PROFIT AND LOSS ACCOUNT **For the year ended 31 July 1999**

	Note	1999 £	1998 £
TURNOVER from continuing			
Operations	1	232,500	232,500
Operating costs		(222,012)	(222,105)
		<hr/>	<hr/>
OPERATING PROFIT		10,488	10,395
Other charges – covenanted payment		(10,500)	(10,400)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(12)	(5)
Tax on loss on ordinary activities		-	-
		<hr/>	<hr/>
LOSS FOR THE PERIOD		(12)	(5)
		<hr/> <hr/>	<hr/> <hr/>

A statement of movements on the profit and loss account is given in note 7.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **For the year ended 31 July 1999**

All recognised gains and losses are included in the profit and loss account for the year ended 31 July 1999.

GLOBALSCREEN LIMITED

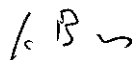
BALANCE SHEET at 31 July 1999

	Note	1999 £	1998 £
CURRENT ASSETS			
Debtors	4	36,328	36,328
Cash at bank and in hand		12,912	12,903
		<u>49,240</u>	<u>49,231</u>
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(49,250)	(49,229)
		<u>(10)</u>	<u>2</u>
NET CURRENT ASSETS/(LIABILITIES)			
NET ASSETS/(LIABILITIES)		<u>(10)</u>	<u>2</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	6	100	100
PROFIT AND LOSS ACCOUNT	7	(110)	(98)
SHAREHOLDERS' FUNDS	8	<u>(10)</u>	<u>2</u>
		<u><u>(10)</u></u>	<u><u>2</u></u>

These financial statements were approved by the

Board of Directors on 9th December 1999

and were signed on its behalf by:



Ian Maurice Burns, Director

GLOBALSCREEN LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

The financial statements have been prepared under the historical cost accounting rules in accordance with applicable accounting standards and on the understanding that the parent undertaking, the University of Sunderland, will continue to support the company for the foreseeable future.

(b) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	1999 £	1998 £
Auditors' remuneration	500	500
	<u> </u>	<u> </u>

3. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the period.

4. DEBTORS

	1999 £	1998 £
Amount owed by parent undertaking	36,328	36,328
	<u> </u>	<u> </u>

GLOBALSCREEN LIMITED

Notes to the Financial Statements (Continued)

5. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Trade creditors	1,168	1,250
Amount owed to parent undertaking	48,082	47,979
	<u>49,250</u>	<u>49,229</u>

6. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
100 shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
100 shares of £1 each	100	100
	<u>100</u>	<u>100</u>

7. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
At 1 August 1998	(98)	(93)
Loss for the period	(12)	(5)
At 31 July 1999	<u>(110)</u>	<u>(98)</u>

8. SHAREHOLDERS' FUNDS

The movement on shareholders' funds is represented by the loss for the period.

9. PARENT UNDERTAKING

The whole of the company's share capital is owned by the University of Sunderland, incorporated in England as an independent Higher Education Corporation under the provisions of the Education Reform Act, 1988.