

**S.I.A.D. ENTERPRISES LIMITED**  
**COMPANY INFORMATION**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Clement Irwin Brohier<br>Judy Craddock<br>Mark Andrew Hunt<br>Seymour Roworth-Stokes<br>Marion Wilks |
| <b>Secretary</b>         | Clement Irwin Brohier  |
| <b>Company Number</b>    | 4284502  |
| <b>Registered Office</b> | Farnham Campus<br>Falkner Road<br>Farnham<br>Surrey<br>GU9 7DS                                       |
| <b>Auditors</b>          | PKF<br>Pannell House<br>Park Street<br>Guildford<br>Surrey<br>GU1 4HN                                |
| <b>Bankers</b>           | National Westminster Bank Plc<br>Farnham Branch<br>39 The Borough<br>Farnham<br>Surrey<br>GU9 7NP    |



**S.I.A.D. ENTERPRISES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2003**

**CONTENTS**

|  |     |
|--|-----|
| DIRECTORS' REPORT                        | 1   |
| STATEMENT OF DIRECTORS' RESPONSIBILITIES | 2   |
| INDEPENDENT AUDITORS' REPORT             | 3   |
| PROFIT AND LOSS ACCOUNT                  | 4   |
| BALANCE SHEET                            | 5   |
| NOTES TO THE FINANCIAL STATEMENTS        | 6-9 |

**S.I.A.D. ENTERPRISES LIMITED  
YEAR ENDED 31 JULY 2003  
DIRECTORS' REPORT**

The Directors submit their report and the financial statements for the year ended 31 July 2003.

**Principal activity**

The principal activities of S.I.A.D. Enterprises Ltd are to supply services to commercial, charitable and public sector organisations. The company's remit includes the hire of facilities, provision of continual professional development and consultancy and services in connection with the Library and Learning Resource Centres at both the Farnham and Epsom campuses of The Surrey Institute of Art & Design, University College.

**Review of Business**

The main activities within the financial period have been the hire of specialist equipment to the Institute and library services supplied in connection with the Library Learning Resource Centre (LLRC) at the Epsom Campus. In its second trading period the Directors are pleased to report that the company recorded a profit. For the year ended 31 July 2003 the recorded profit was £42,793.

In the forthcoming year the Company will increase its trading activities and profits subject to corporation tax will be donated to its parent undertaking.

**Directors**

The Directors who served during the year were:

Clement Irwin Brohier  
Judy Craddock  
Mark Andrew Hunt  
Seymour Roworth-Stokes  
Marion Wilks

None of the Directors had an interest in the company's issued share capital at the balance sheet date or at the start of the year.

**Basis of preparation**

This 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



---

**Clement Brohier**  
**Company Secretary**

17 November 2003

**S.I.A.D. ENTERPRISES LIMITED**  
**YEAR ENDED 31 JULY 2003**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 maintaining 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.

The Directors are also responsible for ensuring that the Directors' Report is prepared in accordance with Company Law in the United Kingdom.

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF S.I.A.D. ENTERPRISES LIMITED

We have audited the financial statements of S.I.A.D. Enterprises Limited for the year ended 31 July 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PKF

Registered Auditors

Guildford, UK

12 December 2003

**S.I.A.D. ENTERPRISES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JULY 2003**

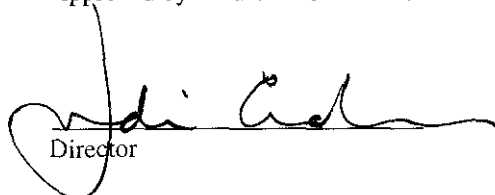
|  | <u>Notes</u> | <u>31 July 2003</u> | <u>10 September 2001<br/>to 31 July 2002</u> |
|--|--------------|---------------------|--|
|  |              | £                   | £  |
| Turnover   | 2            | 414,977             | 272,203                                      |
| Cost of sales  |              | (138,005)           | (120,517)                                    |
| <b>Gross profit</b>  |              | <b>276,972</b>      | <b>151,686</b>                               |
| Administrative expenses  |              | (234,179)           | (211,569)                                    |
| <b>Profit/(loss) on ordinary activities before taxation</b>                          | 3            | <b>42,793</b>       | <b>(59,883)</b>                              |
| Taxation   |              | -                   | -  |
| <b>Profit/(loss) on ordinary activities after taxation<br/>retained for the year</b> | 10           | <b>42,793</b>       | <b>(59,883)</b>                              |

**S.I.A.D. ENTERPRISES LIMITED**  
**BALANCE SHEET**  
**YEAR ENDED 31 JULY 2003**

|  | <u>Notes</u> | <u>2003</u><br>£ | £       | <u>2002</u><br>£ | £       |
|--|--------------|------------------|---------|------------------|---------|
| <b>Fixed assets</b>                          |              |                  |         |                  |         |
| Tangible                                     | 5            |                  | 391,801 |                  | 484,255 |
| <b>Current assets</b>                        |              |                  |         |                  |         |
| Debtors                                      | 6            | -                |         | 91,837           |         |
| Cash at bank and in hand                     |              | 89,788           |         | 2,402            |         |
|  |              | <hr/>            |         | <hr/>            |         |
|  |              | 89,788           |         | 94,239           |         |
| <b>Creditors:</b>                            |              |                  |         |                  |         |
| Amounts falling due within one year          | 7            | (26,902)         |         | (22,105)         |         |
|  |              | <hr/>            |         | <hr/>            |         |
| <b>Net current assets</b>                    |              |                  | 62,886  |                  | 72,134  |
|  |              |                  | <hr/>   |                  | <hr/>   |
| <b>Total assets less current liabilities</b> |              |                  | 454,687 |                  | 556,389 |
| <b>Creditors:</b>                            |              |                  |         |                  |         |
| Amounts falling due after one year           | 8            | (471,777)        |         | (616,271)        |         |
| <b>Net Liabilities</b>                       |              | (17,090)         |         | (59,882)         |         |
|  |              | <hr/>            |         | <hr/>            |         |
| <b>Capital and reserves</b>                  |              |                  |         |                  |         |
| Called up share capital                      | 9            |                  | 1       |                  | 1       |
| Profit and loss account                      | 10           | (17,091)         |         | (59,883)         |         |
|  |              | <hr/>            |         | <hr/>            |         |
| <b>Equity shareholder's deficit</b>          |              | (17,090)         |         | (59,882)         |         |
|  |              | <hr/>            |         | <hr/>            |         |

The financial statements 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 17 November 2003

  
Director

**S.I.A.D. ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2003**

**1 ACCOUNTING POLICIES**

**a) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the historical cost convention and with the Financial Reporting Standard for Smaller Entities (effective June 2002) on a going concern basis. The Directors consider it is appropriate to prepare the financial statements on a going concern basis as they have obtained a letter of support from the parent company to confirm that financial support will be available for the foreseeable future.

**b) Turnover**

Turnover comprises the hire of facilities, provision of continual professional development and consultancy and services in connection with the Library and Learning Resource Centres at both the Farnham and Epsom campuses of The Surrey Institute of Art & Design, University College.

**c) Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|   |              |
|---|--------------|
| Plant, machinery, fixtures, fittings and office equipment | 3 - 10 years |
|---|--------------|

**d) Finance leases and hire purchase**

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

**e) Deferred taxation**

As required by FRS 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised.

Deferred tax is not provided on timing differences arising from the revaluation of certain fixed assets in the financial statements.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

**f) Operating Leases**

For operating leases where the company is the lesser, the aggregate rental receivable are included in turnover.

**2 TURNOVER**

All turnover arose within the United Kingdom.



**S.I.A.D. ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2003**

**3 PROFIT/(LOSS) ON ORDINARY ACTIVITIES  
BEFORE TAXATION**

|  | <u>31 July 2003</u> | <u>10 September 2001<br/>to 31 July 2002</u> |
|--|---------------------|--|
|  | £                   | £  |
| Profit/(loss) on ordinary activities is stated after charging: |                     |  |
| Depreciation of tangible fixed assets                          | 134,868             | 130,518                                      |
| Audit fee  | 3,000               | 3,000  |
|  | <hr/>               | <hr/>  |

**4 DIRECTORS' EMOLUMENTS AND BENEFITS**

No Directors received any emoluments or benefits (2002: £nil) nor were they members of a company pension scheme.

**5 TANGIBLE FIXED ASSETS**

|                       | <u>Plant &amp;<br/>Machinery</u> |
|-----------------------|----------------------------------|
|                       | £                                |
| <b>Cost</b>           |                                  |
| At 1 August 2003      | 614,773                          |
| Additions             | 42,414                           |
|                       | <hr/>                            |
| At 31 July 2003       | 657,187                          |
|                       | <hr/>                            |
| <b>Depreciation</b>   |                                  |
| At 1 August 2003      | 130,518                          |
| Charge for year       | 134,868                          |
|                       | <hr/>                            |
| At 31 July 2003       | 265,386                          |
|                       | <hr/>                            |
| <b>Net book value</b> |                                  |
| At 31 July 2003       | 391,801                          |
|                       | <hr/>                            |
| At 31 July 2002       | 484,255                          |
|                       | <hr/>                            |

The Net Book Amounts of Plant & Machinery above include £27,500 (2002: £54,000) in respect of assets held under finance leases or hire purchase contracts. Depreciation during the year amounted to £27,300 (2002: £27,300) on these assets.

The gross amount held for use in operating leases at 31 July 2003 was £81,900 (2002: £81,900). The accumulated depreciation on these assets was £54,600 (2002: £27,500).

**S.I.A.D. ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2003**

|  |   |                         |                         |
|--|---|-------------------------|-------------------------|
| <b>6</b>   | <b>DEBTORS</b>  | <u><b>2003</b></u><br>£ | <u><b>2002</b></u><br>£ |
|  | Other taxation and social security                              | -                       | 91,837                  |
|  |   | <hr/>                   | <hr/>                   |
| <b>7</b>   | <b>CREDITORS</b>  | <u><b>2003</b></u><br>£ | <u><b>2002</b></u><br>£ |
|  | <b>Amounts falling due within one year</b>                      |                         |                         |
|  | Net obligations under finance lease and hire purchase contracts | 19,039                  | 19,105                  |
|  | Other taxation and social security                              | 1,863                   | -                       |
|  | Other creditors   | 6,000                   | 3,000                   |
|  |   | <hr/>                   | <hr/>                   |
|  |   | 26,902                  | 22,105                  |
|  |   | <hr/>                   | <hr/>                   |
| <b>8</b>   | <b>CREDITORS</b>  | <u><b>2003</b></u><br>£ | <u><b>2002</b></u><br>£ |
|  | <b>Amounts falling due greater than one year</b>                |                         |                         |
|  | Surrey Institute of Art & Design                                | 463,750                 | 589,257                 |
|  | Net obligations under finance lease and hire purchase contracts | 8,027                   | 27,014                  |
|  |   | <hr/>                   | <hr/>                   |
|  |   | 471,777                 | 616,271                 |
|  |   | <hr/>                   | <hr/>                   |
| The Surrey Institute of Art & Design have confirmed that they will continue to provide the financial support the company requires to continue its operations for the foreseeable future. |   |                         |                         |
| <b>9</b>   | <b>SHARE CAPITAL</b>  | <u><b>2003</b></u>      | <u><b>2002</b></u>      |
|  | <b>Authorised</b>   |                         |                         |
|  | Ordinary shares of £1 each                                      | 10,000                  | 10,000                  |
|  |   | <hr/>                   | <hr/>                   |
|  | <b>Allotted, called up and fully paid</b>                       |                         |                         |
|  | Ordinary shares of £1 each                                      | 1                       | 1                       |
|  |   | <hr/>                   | <hr/>                   |
| <b>10</b>  | <b>RESERVES</b>   | <u><b>2003</b></u><br>£ | <u><b>2002</b></u><br>£ |
|  | <b>Profit and loss account</b>                                  |                         |                         |
|  | At 1 August 2002  | (59,883)                | -                       |
|  | Profit/(loss) for the year                                      | 42,793                  | (59,883)                |
|  |   | <hr/>                   | <hr/>                   |
|  | At 31 July 2003   | (17,090)                | (59,883)                |
|  |   | <hr/>                   | <hr/>                   |

**S.I.A.D. ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2003**

**11 PARENT UNDERTAKINGS AND CONTROLLING PARTIES**

The company is controlled by The Surrey Institute of Art & Design, University College.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Surrey Institute of Art & Design, University College.

In the opinion of the Directors this is the company's ultimate parent and ultimate controlling party.

**12 TRANSACTIONS WITH RELATED PARTIES**

There were no other related party transactions which require disclosures other than those exempted by FRS 8.

**13 OTHER COMMITMENTS**

At 31 July 2003 the company had annual commitments under operating leases as follows:

| Expiring in:      | <u>2003</u>   | <u>2002</u>   |
|-------------------|---------------|---------------|
|                   | £             | £             |
| More than 5 years | <u>91,000</u> | <u>91,000</u> |