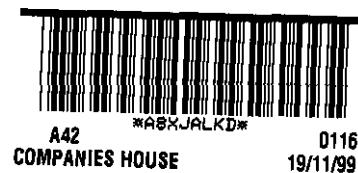


YHUA
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT

YEAR ENDED 31 JULY 1999

Registered number 3467035



PANNELL KERR FORSTER
Chartered Accountants

YHUA
ANNUAL REPORT
YEAR ENDED 31 JULY 1999

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YHUA
DIRECTORS' REPORT
YEAR ENDED 31 JULY 1999

The directors present their annual report together with the financial statements for the year ended 31 July 1999.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was to promote the Universities and Colleges of the Yorkshire and Humberside region.

RESULTS

The loss for the financial year after tax amounted to £17,891 (1998: £NIL). The company commenced trading on the 20 August 1998 after previously being dormant.

DIRECTORS

The directors throughout the year were as follows:

Prof F Arthur
Mrs L J Brindley
Mr D Crothall
Mr F J Giffiths
Dr R Heseltine
Prof I T M Gow (appointed 16 September 1998)
Mr G Owen (appointed 1 August 1998 – resigned 1 May 1999)
Prof C Mellors
Prof D H Lewis (resigned 16 September 1998)
Prof A Robards
Dr P H K Smith
Prof R J Anderson (appointed 1 May 1999)

YEAR 2000

The directors are in the process of assessing the potential impact of the year 2000 date change on the company's business, including its own internal systems and products, as well as on its customers and suppliers. The directors do not believe that there are any associated material risks or uncertainties, and are implementing appropriate action. The total costs of rectifying any problems found have not been quantified, but are not expected to be significant.

SPECIAL EXEMPTIONS

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

Date: 1.11.99
1 November 1999

By order of the board


Secretary
S Kelly

YHUA

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 of the company 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;
- 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 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' REPORT TO THE MEMBERS OF

YHUA

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

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 OPINION

We conducted our audit in accordance with Auditing Standards. 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.

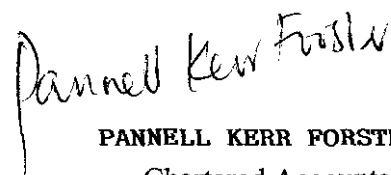
GOING CONCERN

In forming our opinion, we have considered the adequacy of disclosures made in note 1 (a) of the financial statements concerning the uncertainty as to the long term future of the company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as 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.

Leeds:
8 November 1999



PANNELL KERR FORSTER

Chartered Accountants
Registered Auditors

YHUA
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 1999

	Notes	1999 £	1998 £
TURNOVER	1(c)	217,151	-
Cost of sales		<u>(70,312)</u>	<u>-</u>
GROSS PROFIT		146,839	-
Administration expenses		<u>(165,282)</u>	<u>-</u>
		(18,443)	-
Interest receivable		<u>552</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(17,891)	-
TAX ON LOSS ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE FINANCIAL YEAR		<u>(17,891)</u>	<u>-</u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

YHUA
BALANCE SHEET
31 JULY 1999

	Notes	1999	1998
		£	£
CURRENT ASSETS			
Debtors	3	27,400	-
Cash at bank and in hand		<u>96,914</u>	<u>-</u>
		124,314	-
CREDITORS			
Amounts falling due within one year	4	<u>(142,205)</u>	<u>-</u>
NET CURRENT LIABILITIES		<u>(17,891)</u>	<u>-</u>
CAPITAL AND RESERVES			
Profit and loss account	5	<u>(17,891)</u>	<u>-</u>
MEMBERS' FUNDS		<u>(17,891)</u>	<u>-</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 1 November 1999
1 November 1999

C Mellors

Director



YHUA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 1999

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) **Accounting convention**

The financial statements set out on pages 4 to 8 are prepared under the historical cost convention.

The company currently has net liabilities of £17,891. The 10 subscribing Universities have agreed to increase their subscriptions to cover these liabilities next year.

(b) **Turnover**

Turnover represents income received from subscriptions and grants.

All grants received are of revenue nature and have therefore been credited to income in the period to which they relate.

(c) **Operating leases**

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging the following:

	1999	1998
	£	£
Auditors' remuneration	1,000	-
Other operating lease rentals	<u>2,381</u>	<u>-</u>

There was no directors' remuneration in the year.

3 DEBTORS

Other debtors, prepayment and accrued income	<u>27,400</u>	<u>-</u>
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4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Accruals and deferred income	<u>142,205</u>	<u>-</u>
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YHUA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 1999

5 RESERVES

The movement of reserves during the year was as follows:

	Profit and loss account £
At 1 August 1998	-
Retained loss for the year	<u>(17,891)</u>
At 31 July 1999	<u><u>(17,891)</u></u>

6 LIMITED LIABILITY OF MEMBERS

The company is limited by guarantee. The maximum liability of each member is £1. At 31 July 1999 the number of members was 10 (1998: 10).

7 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

In the opinion of the directors there is no controlling party.

8 RELATED PARTY TRANSACTIONS

During the year transactions took place between the company and each of the following 10 subscribing Universities:

Leeds Metropolitan University	Sheffield Hallam University
The University of Bradford	The University of Huddersfield
The University of Hull	The University of York
The University of Leeds	The Open University
The University of Lincolnshire and Humberside	The University of Sheffield

Each University paid subscriptions of £6,505 in the year, for which no amounts were outstanding at the year end.

The University of Leeds charged the company £5,875 and £4,852 for a management fee and computer support services respectively. No amounts were outstanding at the year end.

The company was charged rent of £11,297 by the University of Leeds of which £9,797 was outstanding to the University of Leeds at the year end.

YHUA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 1999

9 OPERATING LEASE COMMITMENTS

The company had operating under lease commitments to pay during the next year in respect of equipment leases:

	1999	1998
	£	£
Expiring between two and five years	<u>3,121</u>	<u>-</u>