

Company Registration No. 2753431

**UNIVERSITY OF BRIGHTON
TRADING COMPANY LIMITED**

Report and Financial Statements

Year ended 31 July 2003



**Mithras House
Lewes Road
Brighton
East Sussex BN2 4AT**

UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS (as at 31 July 2003)

Sir Michael Checkland
Mr D Farmer
Ms K S Gillingham
Professor F J Maillardet
Mr C T Monk
Sir David Watson

SECRETARY

Mr K G Harvey

REGISTERED OFFICE

Mithras House
Lewes Road
Brighton
East Sussex

AUDITORS

RSM Robson Rhodes LLP
Chartered Accountants
Bryanston Court
Selden Hill
Hemel Hempstead
HP2 4TN

BANKERS

Barclays Bank Plc
139-142 North Street
Brighton
BN1 7RU

UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2003.

ACTIVITIES

The principal activity of the company is to provide services such as contract research, consultancy, continuing professional development and conference administration to commercial, charitable and public sector organisations.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The state of affairs of the company as at the year-end is shown in the balance sheet on page 6. The profit on ordinary activities after taxation for the year ended 31 July 2003 was £nil (2002 - £nil) following the payment to the University of Brighton of £268,208 (2002 - £382,679) under deed of covenant. The directors are optimistic about the future prospects of the company.

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year:

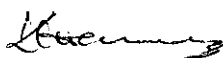
Sir Michael Checkland
Mr D Farmer
Ms K S Gillingham
Professor F J Maillardet
Mr C T Monk
Sir David Watson

None of the directors had a beneficial interest in the shares of the company at any time during the year.

ANNUAL GENERAL MEETING AND AUDITORS

Elective resolutions have been passed to dispense with a) holding of annual general meeting, b) the laying of reports and accounts before the company in general meeting, and c) the requirement to re-appoint auditors annually. Under section 253(2) of the Companies Act 1985, each member has the right to require the laying of reports and accounts before a general meeting. Such right is exercisable by a member giving notice in writing to that effect deposited at the registered office of the company before the end of 28 days from the date on which the accompanying financial statements were sent to members.

Approved by the Board of Directors
and signed on behalf of the Board



K G Harvey
Secretary
12 December 2003

DIRECTORS' STATEMENT OF RESPONSIBILITIES

Company law in the United Kingdom 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED**

We have audited the financial statements on pages 5 to 9.

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 Annual Report and 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 information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

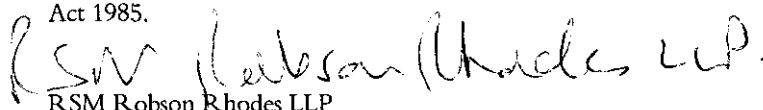
Basis of audit opinion

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 affairs of the company as at 31 March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP

Chartered Accountants and Registered Auditors

Hemel Hempstead, England

12 December 2003

UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 July 2003

	Note	2003 £	2002 £
TURNOVER	2	2,345,281	2,098,764
Cost of sales		(1,714,378)	(1,388,728)
		<hr/>	<hr/>
Gross profit		630,903	710,036
Administrative expenses		(365,989)	(338,245)
		<hr/>	<hr/>
OPERATING PROFIT	2, 3	264,914	371,791
Interest receivable and similar income	4	3,294	10,888
Gift Aid	5	(268,208)	(382,679)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
		<hr/>	<hr/>

All activities derive from continuing operations.

There are no recognised gains and losses other than the result for the financial year and previous financial year. Accordingly, no statement of total recognised gains and losses is given.

UNIVERSITY OF BRIGHTON TRADING COMPANY LIMITED

BALANCE SHEET Year ended 31 July 2003

	Note	2003	2002
		£	£
FIXED ASSETS			
Investments	7	4,214	4,214
CURRENT ASSETS			
Stocks - goods for resale		16,044	21,936
Debtors	8	517,990	604,693
Cash at bank and in hand		6,946	45,193
		<u>540,980</u>	<u>671,822</u>
CREDITORS: amounts falling due within one year	9	<u>(545,094)</u>	<u>(675,936)</u>
NET CURRENT LIABILITIES		<u>(4,114)</u>	<u>(4,114)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>	<u>100</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			
Called up share capital	10	<u>100</u>	<u>100</u>

The financial statements were approved by the Board of Directors on 12 December 2003.

Signed on behalf of the Board of Directors



Sir Michael Checkland
Director

NOTES TO THE ACCOUNTS

Year ended 31 July 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value, excluding value added tax, of services supplied.

Stocks

Goods for resale are stated at the lower of cost and net realisable value.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

These policies have been reviewed in accordance with FRS18 and are still considered relevant.

2. ANALYSIS OF TURNOVER AND OPERATING PROFIT

	2003 Turnover	2003 Operating profit	2002 Turnover	2002 Operating profit
	£	£	£	£
Class of business:				
Non award bearing courses	296,168	42,315	233,167	47,066
Consultancy	206,019	24,028	249,852	27,793
Research	1,054,433	40,761	734,312	32,799
Trading activities	64,787	17,684	71,845	4,761
Catering and conferences	723,874	140,126	809,588	259,372
	<u>2,345,281</u>	<u>264,914</u>	<u>2,098,764</u>	<u>371,791</u>

All turnover arises in the United Kingdom.

3. OPERATING PROFIT

The auditors of the company are also auditors of the parent undertaking in the current year. They have been remunerated in respect of their services to the company by the parent in the current year.

The company had no employees, other than the directors, during the year (2002 - nil). All services are performed by employees of the parent undertaking, the University of Brighton. The employees of the parent undertaking provide all services. The directors received no emoluments in respect of their services to the company in the current or prior year.

NOTES TO THE ACCOUNTS

Year ended 31 July 2003

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Bank deposit and short term interest	3,294	10,888
	<u>3,294</u>	<u>10,888</u>

5. GIFT AID

The company covenants all of its profits to the University of Brighton. In the year ended 31 July 2003 an amount of £268,208 (2002 - £382,679) was due to be paid to the University of Brighton under gift aid.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no tax charge for the year as all taxable profits have been paid under deed of covenant (2002 - £nil).

7. INVESTMENTS HELD AS FIXED ASSETS

At the end of the current and the prior year, the company owned 4,020 (20%) of the £1 ordinary shares in JSD Technologies Limited, together with 19,400 (0.43%) of the 1p ordinary shares in Biotec Laboratories Limited. Both Companies being registered in England and Wales and operating in the UK.

8. DEBTORS

	2003 £	2002 £
Trade debtors	177,578	573,581
Amounts owed from parent undertaking	113,772	0
Prepayments and accrued income	226,640	31,112
	<u>517,990</u>	<u>604,693</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Amounts owed to parent undertaking	0	5,683
Other taxation	40,968	58,158
Accruals and deferred income	504,126	612,095
	<u>545,094</u>	<u>675,936</u>

NOTES TO THE ACCOUNTS

Year ended 31 July 2003

10. CALLED UP SHARE CAPITAL

	2003	2002
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 ordinary shares of £1 each	100	100

11. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of the University of Brighton, a Higher Education Corporation under the 1988 Education Reform Act. The University of Brighton has agreed to financially support the company and to provide additional working capital, should the need arise, for at least 12 months from the date of this report. The accounts of the ultimate parent undertaking can be obtained from Mithras House, Lewes Road, Brighton, East Sussex. University of Brighton is considered to be the ultimate controlling entity.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 "Related Party Transactions" extended to subsidiary undertakings 90% or more of whose voting rights are controlled within a group, where the consolidated financial statements are publicly available. Accordingly no disclosure has been made of transactions with entities that are part of the group, or investees of the group qualifying as related parties.