

Company Registration No.: 3467035

YHUA

Report and Financial Statements

31 July 2000

**Deloitte & Touche
10-12 East Parade
Leeds LS1 2AJ**



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REPORT AND FINANCIAL STATEMENTS 2000

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YHUA

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Prof A Wilson
Prof L Wagner
Prof R Cooke
Prof G Roberts
Prof C Bell
Prof J R Tarrant
Prof D Green
Dr D Drewry
Prof R King

SECRETARY

Mr Stephen Anthony Kelly

REGISTERED OFFICE

Finance Office
University of Leeds
Leeds
West Yorkshire
LS2 9JT

BANKERS

Nat West Bank
PO Box 154
Park Row
Leeds
LS1 1QS

SOLICITORS

Garrets
1 City Square
Leeds
LS1 2AL

Adrian Slater
University of Leeds Legal Adviser
EC Stoner Building
University of Leeds
Leeds
LS2 9JT

AUDITORS

Deloitte & Touche
10-12 East Parade
Leeds LS1 2AJ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2000.

ACTIVITIES

The principal activity of the company during the year was to administer government and European grants secured for projects undertaken by the Member Universities.

REVIEW OF DEVELOPMENTS

The profit for the financial year after tax amounted to £119,988 (1999: loss of £17,891). The company has attracted considerable new project funding for 1999/2000 and has expanded its operations significantly from 1998/99.

DIRECTORS AND THEIR INTERESTS

The directors throughout the year were as follows:

Prof F Arthur (resigned 12 April 2000)
Prof D Lewis (resigned 12 April 2000)
Mrs L J Brindley (resigned 12 April 2000)
Mr D Crothall (resigned 12 April 2000)
Mr F J Griffiths (resigned 18 May 2000)
Dr R Heseltine (resigned 12 April 2000)
Prof A Crook (resigned 12 April 2000)
Prof C Mellors (resigned 18 May 2000)
Prof A Robards (resigned 12 April 2000)
Dr P H K Smith
Prof R J Anderson (resigned 12 April 2000)
Prof A Wilson (appointed 18 May 2000)
Prof L Wagner (appointed 18 May 2000)
Prof R Cooke (appointed 18 May 2000)
Prof G Roberts (appointed 18 May 2000)
Prof C Bell (appointed 18 May 2000)
Prof J R Tarrant (appointed 18 May 2000)
Prof D Green (appointed 18 May 2000)
Dr D Drewry (appointed 18 May 2000)
Prof R King (appointed 18 May 2000)

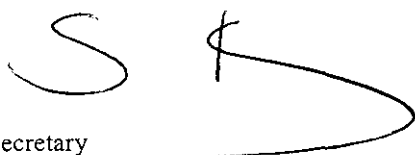
AUDITORS

Deloitte & Touche were appointed as auditors during the year.

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.

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



Secretary

Date: 19 September 2000

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 as at the end of the financial year 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 to 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.

By order of the Board



Director J Tarrant

Date: 19 Sept 00



YHUA

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 at 31 July 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Deloitte & Touche

Chartered Accountants and Registered Auditors

10 - 12 East Parade

Leeds LS1 2AJ

29 September 2000

PROFIT AND LOSS ACCOUNT**Year ended 31 JULY 2000**

	Note	2000 £	1999 £
TURNOVER: continuing operations	1	2,331,929	217,151
Cost of sales		(2,030,479)	(70,312)
GROSS PROFIT		<u>301,450</u>	<u>146,839</u>
Administrative expenses		(200,482)	(165,282)
		<u>100,968</u>	<u>(18,443)</u>
Interest receivable		<u>23,917</u>	<u>552</u>
PROFIT / LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	124,885	(17,891)
TAX ON PROFIT / LOSS ON ORDINARY ACTIVITIES	3	(4,897)	-
RETAINED PROFIT / LOSS FOR THE FINANCIAL YEAR	6	<u>119,988</u>	<u>(17,891)</u>

All amounts relate to continuing operations.

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year and accordingly, no Statement of Total Recognised Gains and Losses is shown.

BALANCE SHEET
31 July 2000

	Note	2000 £	1999 £
CURRENT ASSETS			
Debtors	4	191,368	27,400
Cash at bank and in hand		891,238	96,914
		<u>1,082,606</u>	<u>124,314</u>
CREDITORS: amounts falling due within one year	5	<u>(980,509)</u>	<u>(142,205)</u>
NET ASSETS/(LIABILITIES)		<u>102,097</u>	<u>(17,891)</u>
CAPITAL AND RESERVES			
Profit and loss account	6	<u>102,097</u>	<u>(17,891)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>102,097</u>	<u>(17,891)</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board of Directors on 19 September 2000

Signed on behalf of the Board of Directors



Director

NOTES TO ACCOUNTS

31 July 2000

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 income received from subscriptions and grants.

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

Operating Leases

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

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2000 £	1999 £
Auditors' remuneration	2,000	1,000
Other operating lease rentals	3,121	2,381
	<u> </u>	<u> </u>

There was no directors' remuneration in the year

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
United Kingdom corporation tax at 25%		
(1999 - 25%) based on the profit for the year	(4,897)	-
	<u>(4,897)</u>	<u>-</u>

4. DEBTORS

	2000 £	1999 £
Trade Debtors	163,922	-
Other debtors, prepayments and accrued income	27,446	27,400
	<u>191,368</u>	<u>27,400</u>

NOTES TO ACCOUNTS**31 July 2000****5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Trade Creditors	460,894	-
Accruals and deferred income	519,615	142,205
	<u>980,509</u>	<u>142,205</u>

6. RESERVES

The movement of reserves during the year was as follows:

	Profit and loss account £
At 1 August 1999	(17,891)
Retained profit for the year	119,988
As at 31 July 2000	<u>102,097</u>

There has been no movement in shareholder funds other than the retained profit for the current year and accordingly, no Reconciliation of Movements in Shareholder Funds disclosure is shown.

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 £10,000 in the year, and additional subscriptions amounting to £119,289. Debtor balances outstanding at the year end related to Leeds Metropolitan University (£7,770), Sheffield Hallam University (£8,265), The University of Huddersfield (£1,175), The University of Hull (£11,078), The University of Lincolnshire and Humberside (£50,669), The University of Sheffield (£20,230), and the University of Leeds (£46,707)

Creditor balances outstanding at the end of the year related to the University of Leeds (£100,515), the University of Hull (£68,150) and Leeds Metropolitan University (£291,123).

The University of Leeds charged the company £5,875 and £1,731 for a management fee and computer support services respectively.

The company was charged rent of £6,247 by the University of Leeds of which £3,973 was outstanding to the University of Leeds at the year end.

NOTES TO ACCOUNTS

31 July 2000

9. OPERATING LEASE COMMITMENTS

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

	2000	1999
	£	£
Expiring between two and five years	<u>3,121</u>	<u>3,121</u>