

# **LONDON METROPOLITAN NETWORK LIMITED**

**Registration Number : 3913274**

**REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD 20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000**



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**LONDON METROPOLITAN NETWORK LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD 20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000**

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**LONDON METROPOLITAN NETWORK LIMITED**

**COMPANY INFORMATION**

**Directors at the date of this report:**

Professor Tim O'Shea (Chair of Board)  
Mr. Russell Altendorff  
Mr. Ed Carter  
Ms. Susan Gove  
Professor Geoff Peters  
Professor Roland Rosner  
Ms. Jean Sykes  
Mr. David Vinograd  
Mr. Michael Kahn  
Mr. Michael Stone

**Secretary at the date of this report:**

Mr. John Wienand

**Registered Office :**

20 Guilford Street  
London  
WC1N 1DZ

**Auditors :**

Knox Cropper  
16 New Bridge Street  
London  
EC4V 6AX

**Bankers :**

Barclays Bank PLC  
P.O. Box 1006  
Barking  
IG11 8AT

**Solicitors :**

Farrer & Co.  
66 Lincoln's Inn Field,  
London  
WC2A 3LH

## **LONDON METROPOLITAN NETWORK LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period 20<sup>th</sup> January 2000 to 31<sup>st</sup> July 2000. The company was incorporated on 20<sup>th</sup> January 2000.

#### **1. Legal Status**

The company is an incorporated company limited by guarantee with a memorandum and articles of association. The Members of the company are Higher Education Institutions in the Greater London region. The liability of each Member is limited to such amount not exceeding one pound.

#### **2. Activities**

The principal activity of the company in the period was the provision of network facilities for colleges and universities in London. The company has traded exclusively with its members throughout the period.

#### **3. Results for the Period**

The result for the period is shown in the Profit and Loss Account on page 6 and the financial position of the company at the year end is shown in the Balance Sheet on page 7.

#### **4. Directors**

The directors in office during the period and up to the date of this report were as follows :

Professor Tim O'Shea (Chair of Board)	(Appointed 20 <sup>th</sup> January 2000)
Mr. Russell Altendorff	(Appointed 26 <sup>th</sup> January 2000)
Mr. Mike Burke	(Appointed 20 <sup>th</sup> January 2000, Resigned 20 <sup>th</sup> July 2000)
Mr. Ed Carter	(Appointed 20 <sup>th</sup> January 2000)
Mr. Derek Fowlie	(Appointed 20 <sup>th</sup> January 2000, Resigned 6 <sup>th</sup> November 2000 )
Ms. Susan Gove	(Appointed 26 <sup>th</sup> January 2000)
Professor Geoff Peters	(Appointed 20 <sup>th</sup> January 2000)
Professor Roland Rosner	(Appointed 20 <sup>th</sup> January 2000)
Ms. Jean Sykes	(Appointed 20 <sup>th</sup> January 2000)
Mr. David Vinograd	(Appointed 20 <sup>th</sup> January 2000)
Mr. Michael Kahn	(Appointed 20 <sup>th</sup> July 2000)
Mr. Michael Stone	(Appointed 16 <sup>th</sup> October 2000)

**LONDON METROPOLITAN NETWORK LIMITED**

**DIRECTORS' REPORT (Continued)**

**5. Review of the Business**

The Directors consider the company's performance for the period and its financial position at the year end to be satisfactory.

During the 2000/2001 Financial Year, a replacement of the LMN Network will be procured at a capital cost of approximately £2.2 million. This will be funded by the Higher Education Funding Council.

From the 2001/2002 Financial Year London Metropolitan Limited will take full financial and operational responsibility of the network. The recurrent cost for this will be approximately £1.5 million and will be funded by UKERNA.

**6. Auditors**

Knox Cropper were appointed as auditors by the Directors during the period and a resolution to propose their reappointment will be put to the members at the Annual General Meeting.

Approved by the Board of Directors on 25<sup>th</sup> April, 2001 and signed on behalf of the Board by :



Philip Harding  
(Secretary)

**LONDON METROPOLITAN NETWORK LIMITED**

**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 year. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether suitable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

**LONDON METROPOLITAN NETWORK LIMITED**

**AUDITORS' REPORT**

**To the Members of London Metropolitan Network Limited**

We have audited the financial statements on pages 6 to 11 which have been prepared under the accounting policies set out on page 9.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 4 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.

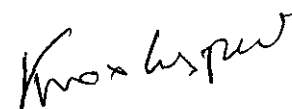
**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards 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 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 as at 31st July 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Knox Cropper  
16 New Bridge Street  
London EC4V 6AX

Chartered Accountants  
Registered Auditors

25<sup>th</sup> April, 2001

**LONDON METROPOLITAN NETWORK LIMITED****PROFIT AND LOSS ACCOUNT FOR THE PERIOD****20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000**

	Notes	Period Ended 31 <sup>st</sup> July 2000 £
Turnover	2	198,000
Cost of Sales		(18,804)
<b>Gross Profit</b>		<hr/> 179,196
Administration Expenses		(25,494)
<b>Operating Profit</b>	4	<hr/> 153,702
Interest Receivable and Similar Income	3	659
<b>Profit on Ordinary Activities before taxation</b>		<hr/> 154,361
Tax on Profit on Ordinary Activities	5	-
<b>Retained Profit for the Financial Period</b>		<hr/> 154,361
<b>Retained Profit Brought Forward</b>		-
<b>Retained Profit Carried Forward</b>		<hr/> £154,361 <hr/>

There were no recognised gains or losses other than those shown above. Therefore no separate Statement of Total Recognised Gains and Losses is produced.

All activities reflected above represent continuing operations.

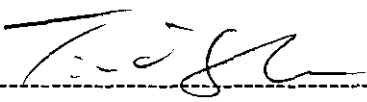
This is the company's first trading period. There are, therefore, no corresponding amounts.



**LONDON METROPOLITAN NETWORK LIMITED****BALANCE SHEET****AS AT 31<sup>ST</sup> JULY 2000**

	Notes	2000 £
<b>Current Assets</b>		
Debtors	7	72,334
Cash at Bank and in Hand		101,540
		<hr/> 173,874
Creditors : Amounts falling due within one year	8	(19,513)
<b>Net Current Assets</b>		<hr/> 154,361
Creditors : Amounts falling due after more than one year		-
<b>Total Assets Less Liabilities</b>		<hr/> <hr/> £154,361
 <b>Reserves</b>		
Profit and Loss Account		154,361
<b>Total Funds</b>		<hr/> <hr/> £154,361

These Financial Statements were approved by the Board of Directors on 25<sup>th</sup> April 2001 and were signed on its behalf by :

  
 \_\_\_\_\_  
 Professor Tim O'Shea  
 (Director)

**LONDON METROPOLITAN NETWORK LIMITED****CASH FLOW STATEMENT FOR THE PERIOD****20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000**

	Notes	Period Ended 31 <sup>st</sup> July 2000	
		£	£
<b>Net Cash Inflow from Operating Activities</b>	9		101,215
<b>Returns on Investments and Servicing of Finance</b>			
Interest Paid		-	
Interest Received		325	
<b>Net Cash Inflow from Returns on Investments and Servicing of Finance</b>			325
<b>Cash Inflow before use of Liquid Resources and Financing</b>			£101,540
<b>Increase in Cash in the Period</b>	11		£101,540

**LONDON METROPOLITAN NETWORK LIMITED****NOTES TO THE ACCOUNTS FOR THE PERIOD****20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000****1. ACCOUNTING POLICIES**

The Financial Statements have been produced in accordance with applicable accounting standards and have been prepared under the historical cost convention.

Debtors are stated net of full provision for doubtful items.

**2. ANALYSIS OF TURNOVER AND PROFIT**

The turnover and profit are attributable to one class of business activity of the company undertaken in the United Kingdom.

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Period Ended 31<sup>st</sup> July 2000</b>
	£
Bank Interest Received	325
Bank Interest Accrued	334
	<hr/> £ 659 <hr/>

**4. OPERATING PROFIT/(LOSS) IS STATED AFTER CHARGING**

Auditors' Remuneration	
Audit	2,500
Other	1,000
	<hr/> £ 3,500 <hr/>

**5. TAXATION**

UK Corporation Tax at 20% (See Note 12)	£ Nil
	<hr/>

**LONDON METROPOLITAN NETWORK LIMITED****NOTES TO THE ACCOUNTS FOR THE PERIOD****20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000 (Continued)****6. EMPLOYEES' AND DIRECTORS' REMUNERATION**

The company has no employees. None of the Directors are remunerated for their services. One Director was reimbursed expenses amounting to £44.

**7. DEBTORS**

	<b>2000</b>
	£
Trade Debtors	72,000
Interest Receivable	334
	<hr/> £ 72,334 <hr/>

**8. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

Accruals	<hr/> £19,513 <hr/>
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**9. RECONCILIATION OF PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

Profit for the year	154,361
Less Interest Receivable	(659)
	<hr/> 153,702
Increase in trade debtors	(72,000)
Increase in creditors	19,513
	<hr/> 19,513
Net Cash Inflow from Operating Activities	<hr/> £101,215 <hr/>

**11. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

Increase in cash in the period	101,540
Cash Inflow from decrease in Liquid Resources	<hr/> -
Movement in Net Funds in the Period	101,540
Net Funds at 20 <sup>th</sup> January 2000	-
	<hr/> -
Net Funds at 31 <sup>st</sup> July 2000	<hr/> £101,540 <hr/>

**LONDON METROPOLITAN NETWORK LIMITED****NOTES TO THE ACCOUNTS FOR THE PERIOD****20<sup>TH</sup> JANUARY 2000 TO 31<sup>ST</sup> JULY 2000 (Continued)****11. ANALYSIS OF CHANGES IN NET FUNDS**

	At 20 <sup>th</sup> January 2000 £	At 31 <sup>st</sup> July 2000 £	Cash Inflow £
Cash at Bank and in Hand	£ Nil	£101,540	£101,540

**12. CONTINGENT LIABILITY**

During the accounting period the Company has traded with only its members. It therefore considers that under the mutual trading provisions it should be exempt from corporation tax and an approach is being made to the Inland Revenue to confirm that this is the case. Should this approach fail a corporation tax liability could arise on the current period's activities of the order of £31,000.