

**UNIVERSITY OF NEWCASTLE UPON TYNE**

**SUPPLY COMPANY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2006**

**(Registered Number: 2096876)**

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**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**DIRECTORS' REPORT**

The Directors submit their report and the audited accounts for the year ended 31 July 2006.

**REGISTERED OFFICE**

Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3XX.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The Company leases certain assets to The University of Newcastle upon Tyne.

**RESULTS AND DIVIDENDS**

The loss for the year after taxation is £50,436 (2005: £42,646 loss). The directors do not recommend the payment of a dividend (2005: £nil).

**DIRECTORS**

The following were directors of the Company during the year:

HB Farnhill

ML Lawrence (resigned 17.08.2005)

ML Parkinson (appointed 18.08.2005)

AL Tobin

None of the directors has a beneficial interest in the shares of the Company. None of the directors received any remuneration in respect of their services to the Company during the year.

**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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**DIRECTORS' REPORT**

**STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITOR**

PricewaterhouseCoopers LLP were reappointed as auditors during the period and have indicated their willingness to be reappointed. A resolution as to their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



**EVERSECRETARY LIMITED**  
Company Secretary

3 October 2006

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**Independent auditors' report to the members of University of Newcastle upon Tyne  
Supply Company Limited**

We have audited the financial statements of University of Newcastle upon Tyne Supply Company Limited for the year ended 31 July 2006 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.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

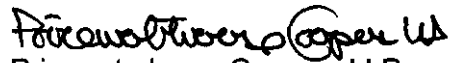
**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**Independent auditors' report to the members of University of Newcastle upon Tyne  
Supply Company Limited (continued)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
3 October 2006

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2006**

	<u>Note</u>	<u>2006</u> £	<u>2005</u> £
<b>TURNOVER</b>	1(b)	8,987	13,634
Cost of sales		-	-
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		8,987	13,634
Administration expenses		(72,214)	(66,633)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>		(63,227)	(52,999)
Interest receivable		961	349
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(62,266)	(52,650)
Taxation on profit on ordinary activities	3	11,830	10,004
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR</b>	9	(50,436)	(42,646)
		<hr/>	<hr/>

The company has no recognised gains or losses other than those included within the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

All amounts relate to continuing operations.

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**BALANCE SHEET AT 31 JULY 2006**

	<u>Note</u>	<u>2006</u> £	<u>2005</u> £
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	4	68,613	89,684
Debtors (amounts falling due after more than one year)	5	26,244	94,860
Cash at bank and in hand		112,010	79,826
		<hr/>	<hr/>
		206,867	264,370
<b>CREDITORS (amounts falling due within one year)</b>	6	(82,934)	(78,171)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		123,933	186,199
Provision for liabilities and charges	7	(2,393)	(14,223)
		<hr/>	<hr/>
Net assets		121,540	171,976
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	8	20,100	20,100
Profit and loss account	9	101,440	151,876
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	121,540	171,976
		<hr/>	<hr/>

The financial statements on pages 5 to 10 were approved by the Board on 3 October 2006 and signed on its behalf by

  
H B Farnhill  
Director

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 JULY 2006**

**1 ACCOUNTING POLICIES**

**(a) Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**(b) Turnover**

Turnover represents amounts invoiced exclusive of Value Added Tax in respect of interest receivable under finance leases.

**(c) Finance leases**

The company leases assets to The University of Newcastle upon Tyne under finance leases. Income from finance leases is credited to the profit and loss account in proportion to the funds invested. Finance lease receivables are stated in the balance sheet at the net investment in the leases after deduction of unearned charges.

**(d) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

**(e) Cash flow statement**

The ultimate parent undertaking has prepared a group cash flow statement. Accordingly the company is exempt from preparing a cash flow statement.

**2 LOSS ON ORDINARY ACTIVITIES**

Loss on ordinary activities is stated after charging/(crediting)

	<u>2006</u>	<u>2005</u>
	£	£
Interest receivable under finance leases	(8,987)	(13,634)
Management charges	5,000	5,000
	<hr/>	<hr/>

The company has no employees (2005: nil).

None of the directors received any remuneration in respect of their services to the company during the year (2005: £nil).



**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**3 Taxation on the Loss for the year**

**(a) Analysis of tax credit in the year**

	<u>2006</u> £	<u>2005</u> £
Current tax	-	-
Deferred tax:		
Origination and reversal of timing differences (ACA and Other)	11,830	10,004
	<hr/>	<hr/>
Tax credit on loss on ordinary activities	11,830	10,004
	<hr/>	<hr/>

Deferred tax liabilities have not been discounted.

**(b) Factors affecting tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below.

	<u>2006</u> £	<u>2005</u> £
Loss on ordinary activities before taxation	(62,266)	(52,650)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005:19%)	(11,830)	(10,003)
Effects of		
Expenses not deductible for tax purposes	17,040	16,950
Capital allowances in excess of depreciation	(5210)	(6,947)
Utilisation of group losses	-	-
	<hr/>	<hr/>
Current tax charge for year	-	-
	<hr/>	<hr/>

**(c) Factors that may affect future tax charges**

The company expects to continue to claim capital allowances in excess of depreciation in future years.

**4 DEBTORS (amounts falling due within one year)**

	<u>2006</u> £	<u>2005</u> £
Amounts receivable under finance leases	68,613	89,684
	<hr/>	<hr/>

Aggregate rentals receivable in the year under finance leases is £98,674  
(2005: £102,845)

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**5 DEBTORS (amounts falling due after more than one year)**

	<u>2006</u> £	<u>2005</u> £
Amounts receivable under finance leases	26,244	94,860

**6 CREDITORS (amounts falling due within one year)**

	<u>2006</u> £	<u>2005</u> £
Amounts payable to ultimate parent undertaking	66,184	60,655
Other taxation and social security	16,345	17,123
Accruals and deferred income	405	393
	<u>82,934</u>	<u>78,171</u>

**7 PROVISION FOR LIABILITIES AND CHARGES**

	Deferred Tax Provision £
At 1 August 2005	14,223
Credited to the profit and loss account (note 3)	(11,830)
At 31 July 2006	<u>2,393</u>

	2006 £	2005 £
Provision for deferred tax		
Accelerated capital allowances	2,393	14,223

**8 EQUITY SHARE CAPITAL**

	<u>2006</u> £	<u>2005</u> £
Ordinary shares of £1 each Authorised	50,000	50,000
Allotted, called up and fully paid	<u>20,100</u>	<u>20,100</u>

**UNIVERSITY OF NEWCASTLE UPON TYNE  
SUPPLY COMPANY LIMITED**

**9 PROFIT AND LOSS ACCOUNT**

	£
At 1 August 2005	151,876
Loss for the year	(50,436)
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At 31 July 2006	101,440
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**10 RECONCILIATION OF MOVEMENT ON EQUITY SHAREHOLDERS' FUNDS**

	<u>2006</u> £	<u>2005</u> £
Opening equity shareholders' funds	171,976	214,622
Loss for the year	(50,436)	(42,646)
	<hr/>	<hr/>
Closing equity shareholders' funds	121,540	171,976
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**11 ULTIMATE PARENT UNDERTAKING**

The ultimate parent company and controlling party is the University of Newcastle upon Tyne, which has prepared group accounts incorporating the results of The University of Newcastle upon Tyne Supply Company Limited.

Accounts of The University of Newcastle upon Tyne can be obtained from:

The Bursar  
The University of Newcastle upon Tyne  
3 Park Terrace  
Newcastle upon Tyne  
NE1 7RU

Transactions with The University of Newcastle upon Tyne are not disclosed as the company has taken advantage of the exemption under Financial Reporting Standard No. 8 "Related Party Disclosures" for wholly owned subsidiaries.