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**Report of the Directors and  
Financial Statements  
For the Year Ended 31 July 2007**

for

**EUSACO Limited**



# **Contents of the Financial Statements**

For the Year Ended 31 July 2007

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# Company Information

For the Year Ended 31 July 2007

**Directors:** J MacAlister  
A Davidson  
T French  
G Aikman  
K Sellar  
N Ward  
E Price  
G Bromley  
M Datta  
N Chue Hong  
G Boyack

**Secretary** P Macnab

**Registered Office** 5/2 Bristo Square  
Edinburgh  
EH8 9AL

**Registered Number.** 84199 (Scotland)

**Auditors** Baker Tilly UK Audit LLP  
Chartered Accountants  
First Floor, Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

# Report of the Directors

For the Year Ended 31 July 2007

The Directors present their report with the financial statements of the company for the year ended 31 July 2007

## Principal Activity

The principal activity of the company in the year under review was that of licensed catering for festivals, functions and conferences

## Review of Business

Contracts were signed during 2006 with The University of Edinburgh for the catering concessions in David Hume Tower, Main Library, James Clerk Maxwell Building (all, five year contracts), and for Dick Vet and New College (both, for one year) The Old College fine dining contract was not renewed which resulted in a downturn in functions income

## Directors

J MacAlister (Chair from 11 June 2007)

G Boyack (Managing)

### Appointed from 5 October 2006

N Chue Hong

### Appointed from 11 June 2007

A Davidson

T French

G Aikman

K Sellar

G Bromley

M Datta

N Ward (appointed from 8 May 2007)

E Price (appointed from 22 March 2007)

### Resigned on 13 June 2007

T Goodwin (Chair)

N Shotton

R Neilson

T Gee

J Dias

A Ramsay

G Bromley (from 8 May 2007)

S Bodle (22 March 2007)

S Lauder (21 November 2006)

The Directors are elected members of the Finance Committee of Edinburgh University Students' Association, together with the Permanent Secretary of the Association, and the elected members act as Directors from the beginning of July each year

The chairperson holds one ordinary share as a nominee With this exception no Director has any interest in the shares of the company and no Director had a beneficial interest in any contract to which the company was part in the year under view, other than in the normal course of business

## Charitable Donations

The company will make a gift aid donation of £212,000 to Edinburgh University Students' Association (2006 £74,000)

# Report of the Directors

For the Year Ended 31 July 2007

## 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 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.

## Statement of disclosure to auditor

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Auditors

'Scott and Paterson merged with Baker Tilly on 2 April 2007 joining Baker Tilly UK Audit LLP from this date. Accordingly their audit opinion is signed in the new name. They have indicated their willingness to remain in office and a resolution proposing their re appointment will be presented to the Annual General Meeting.'

On behalf of the Board



P Macnab Secretary

Dated 23rd October 2007

# Report of the Auditors to the Shareholders of EUSACO Limited

We have audited the financial statements on pages five to eleven

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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 other information.

## 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 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.

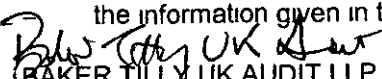
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 July 2007 and of its profit for the year then ended and 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

  
BAKER TILLY UK AUDIT LLP  
Registered Auditor  
First Floor, Quay 2  
139 Fountainbridge  
Edinburgh, EH3 9Q

5 November 2007

# Profit and Loss Account

For the Year Ended 31 July 2007

	Notes	2007 £	2006 £
Turnover		1,580,209	1,729,986
Cost of Sales		(463,384)	(541,906)
<b>Gross Profit</b>		1,116,825	1,188,080
Administrative Expenses		(1,151,305)	(1,212,762)
		(34,480)	(24,682)
Other Operating Income		37,215	29,986
		2,735	5,304
Interest Payable		(2,607)	(4,683)
<b>Operating Profit/(Loss) In Ordinary Activities Before Taxation</b>	2	128	621
Tax on Profit/(Loss) on Ordinary Activities	3		
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		128	621
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR</b>		128	621

The notes form part of these financial statements

# Balance Sheet

31 July 2007

	Notes	<u>2007</u>		<u>2006</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	4		94,632		119,554
<b>CURRENT ASSETS</b>					
Stocks		213,863		153,563	
Debtors	5	1,424,134		1,546,031	
Cash		<u>41,500</u>		<u>1,699,594</u>	
		1,679,497			
<b>CREDITORS</b>					
Amounts Falling due within one Year	6	<u>1,563,249</u>		<u>1,587,070</u>	
<b>NET CURRENT ASSETS</b>			<u>116,248</u>		<u>112,524</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			210,880		232,078
<b>CREDITORS</b>					
Amounts falling due after one year	7		4,957		26,283
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	8				
			<u>205,923</u>		<u>205,795</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		200,000		200,000
Profit and Loss Account	10		5,923		5,795
<b>SHAREHOLDERS' FUNDS</b>			<u>205,923</u>		<u>205,795</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

On Behalf of the Board

J MacAlister Director

T French Director

Approved by the Board on

23rd October 2007.

The notes form part of these financial statements



# Notes to the Financial Statements

For the Year Ended 31 July 2007

## 1 ACCOUNTING POLICIES

### Basis of Preparation

The financial statements are prepared on the going concern basis which assumes the continued support of Edinburgh University Students' Association

The accounts have been prepared on a going concern basis. The going concern basis is only appropriate with the support of bank funding which in turn is supported by a letter of comfort from the University of Edinburgh. The Directors have prepared budgetary information for the following year. On the basis of this information the Directors anticipate that the company is still in a position to continue operating and to meet its liabilities as they fall due.

### Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

### Turnover

Turnover represents total sales to customers in the course of normal trading and, where applicable, is stated net of value added tax.

### Tangible Fixed Assets

Depreciation is computed on cost, commencing in the year of acquisition. A full year's charge is provided in the year of acquisition, adjustments being made for over or under provision in the year of disposal.

Depreciation is provided on all tangible fixed assets as follows:

Furniture, fittings and equipment: over 3 to 10 years.

### Stocks

Stocks are valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items.

### Lease Commitments

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under leases is included as a liability in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the period of the lease.

Operating lease costs are charged against trading profit on a straight line basis over the lease term.

### Deferred Tax

Deferred tax is provided in full respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

## 2. OPERATING PROFIT

The operating profit is stated after charging:

	2007	2006
	£	£
Depreciation - owned assets	39,807	44,532
Auditor's Remuneration	2,922	2,700
Director's Emoluments and Other Benefits etc		

# Notes to the Financial Statements Continued

For the Year Ended 31 July 2007

## 3. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2007 £	2006 £
Current Tax		
UK corporation tax	-	-
(Over)/under provision		
Total current tax		
Deferred tax		-
Tax on profit on ordinary activities		-

## 4. TANGIBLE FIXED ASSETS

	Plant and equipment etc £
<b>COST</b>	
At 1 August 2006	237,136
Additions	14,885
Disposals	-
At 31 July 2007	252,021
<b>DEPRECIATION</b>	
At 1 August 2006	117,582
Charge for Year	39,807
Disposals	-
At 31 July 2007	157,389
<b>NET BOOK VALUE</b>	
At 31 July 2007	94,632
At 31 July 2006	119,554

Assets held under finance leases and capitalised in plant and equipment total £50,296 (2006: £71,722) and the depreciation charged thereon during the year amounted to £21,426 (2006: £14,734)

## 5. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade Debtors	75,164	51,657
Other Debtors	1,348,970	1,494,374
	1,424,134	1,546,031

# Notes to the Financial Statements Continued

For the Year Ended 31 July 2007

## 6. CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank Overdrafts	351,812	636,104
Other Creditors	1,211,437	950,966
	<u>1,563,249</u>	<u>1,587,070</u>

The bank overdraft is supported by a letter of comfort from the University of Edinburgh (see Note 11)

## 7 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Lease Purchase Creditor	<u>4,957</u>	<u>26,283</u>

## 8. PROVISION FOR LIABILITIES AND CHARGES

	2007 £	2006 £
Deferred Tax	<u>-</u>	<u>-</u>

## 9. PROVISION FOR LIABILITIES AND CHARGES

Authorised, allotted, issued and fully paid:

Number	Class:	Nominal Value.	2007 £	2006 £
200,000	Ordinary Shares	£1	<u>200,000</u>	<u>200,000</u>

## 10. RESERVES

	Profit and Loss Account £
At 1 August 2006	5,795
Retained Profit for the Year	<u>128</u>
At 31 July 2007	<u>5,923</u>

## 11 RELATED PARTY DISCLOSURES

The company is wholly owned and controlled by Edinburgh University Students' Association. The company and Edinburgh University Students' Association operate a joint set off agreement with the Bank of Scotland in respect of all bank accounts of both parties. Consequently an unsecured loan arrangement operated between the two parties which is adjusted daily according to cash flow requirements of Edinburgh University Students' Association.

During the year the company paid Edinburgh University Students' Association £463,383 (2006 £556,406) for catering supplies, £79,410 (2006 £86,300) as a service charge for the hire of assets, £519,341 (2006 £624,497) for the hire of staff and £108,740 (2006 £129,789) for other overhead expenses. The company also paid a management charge of £40,500 (2006 £39,300) to Edinburgh University Students' Association to cover administration costs in the year.

During the year the company purchased fixed assets worth £NIL (2006 £NIL) from Edinburgh University Students' Association.

The company will make a gift aid donation of £212,000 to Edinburgh University Students' Association (2006 £74,000).

## Notes to the Financial Statements Continued

For the Year Ended 31 July 2007

Included within other debtors is an amount of £1,210,300 (2006 £1,422,300) due from Edinburgh University Students' Association. Included within other creditors is an amount of £1,111,770 (2006 £804,478) due to Edinburgh University Students' Association.

As at 31 July 2007, Edinburgh University Students' Association owed the company £98,530 (2006 £617,822).

There were no related party transactions with any of the Directors of the Company.

### 12. **ULTIMATE PARENT ORGANISATION**

The company is wholly owned and controlled by Edinburgh University Students' Association, The Potterrow, 5/2 Bristo Square, Edinburgh, EH8 9AL, which is a charity registered in Scotland.

# Trading and Profit and Loss Account

For the Year Ended 31 July 2007

	2007		2006	
	£	£	£	£
<b>TURNOVER</b>				
Catering Sales		1,580,209		1,729,986
<b>Cost of Sales</b>				
Catering Purchases		<u>463,384</u>		<u>541,906</u>
<b>GROSS PROFIT</b>		1,116,825		1,188,080
<b>Other Income</b>				29,986
Rents Received		<u>37,215</u>		
		1,154,040		<u>1,218,066</u>
<b>Expenditure</b>				
Salaries and Related Costs	519,341		625,497	
Management Charge	40,500		39,300	
Rent, Rates and Insurance	21,259		18,810	
Heat, Light and Cleaning	4,134		14,623	
Telephone and Telex	72		156	
Repairs and Renewals	22,455		86,371	
Marketing and Promotion	1,005		89	
Motor Expenses	1,121		2,138	
Staff Training, Uniforms, etc	10,451		6,599	
Postage and Stationery	-		825	
Bad Debt and Losses	1,500		169	
Bank Charges	1,691		1,725	
Catering Service Charge	79,410		86,300	
Catering Expenses	26,883		33,990	
Sundry Expenses	20,564		7,100	
Accountancy			-	
Travelling	4,402		7,458	
Legal Fees	5,437		4,523	
Auditors Remuneration	2,922		2,700	
Donations	212,000		74,000	
Profit Share	136,352		155,857	
Depreciation of Tangible Fixed Assets, Furniture, Fittings and Equipment	<u>39,807</u>		<u>44,532</u>	
		1,151,305		<u>1,212,762</u>
<b>NET PROFIT/(LOSS)</b>		<u>2,735</u>		<u>5,304</u>