

UCE Property Limited

Directors' report and financial statements

For the year ended 31 July 2001

Registered number 2776316



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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2001.

Principal activities and business review

The company is a wholly-owned subsidiary of the University of Central England in Birmingham. The company's main activities involve entering into property development and leasing and sub-leasing transactions with the University.

In June 1999 the company completed the purchase of the Ansell's sports ground. This is to be held for the construction of student residences and sports facilities.

Directors and directors' interests

The directors who held office during the year were as follows:

Dr PC Knight
RC Spilsbury
M Penlington
P Sabapathy
P Thompson (Chairman)

The directors have no personal or beneficial interests in the shares of the company and receive no remuneration, fees or other emoluments from or on behalf of the company.

Political and charitable contributions

The company made no political contributions during the period but made a £10,240 (2000: £13,040) charitable donation under a deed of covenant to the University of Central England in Birmingham.

Directors' report

(continued)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

KPMG were appointed first auditors of the company by the directors. Pursuant to a resolution under Section 386 of the Companies Act 1985, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the board



M Penlington
Secretary

University of Central England in Birmingham
Franchise Street
Perry Barr
Birmingham

27 November 2001



2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of UCE Property Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 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 as at 31 July 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

27 November 2001

Profit and loss account
for the year ended 31 July 2001

	<i>Note</i>	2001 £	2000 £
Turnover	2	261,000	261,000
Cost of sales		(245,575)	(245,575)
		<hr/>	<hr/>
Gross profit		15,425	15,425
Administrative expenses		(5,601)	(2,715)
Interest receivable	7	416	330
Interest payable and similar charges	8	(10,240)	(13,040)
		<hr/>	<hr/>
Profit on ordinary activities before and after taxation and retained profit for the period		-	-
		<hr/>	<hr/>
Retained profit brought forward		-	-
Retained profit carried forward		-	-
		<hr/>	<hr/>

The company has no recognised gains or losses other than the result for the year.

All turnover in the year relates to continuing operations.


Balance sheet
at 31 July 2001

	<i>Note</i>	2001 £	2000 £
Current assets			
Stock	9	1,105,970	1,105,970
Debtors	10	2	2
Cash at bank and in hand		18,583	3,496
Creditors: Amounts falling due within one year	11	(1,124,553)	(1,109,466)
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Share capital	13	2	2
Profit and loss account		-	-
		<u>2</u>	<u>2</u>

These financial statements were approved by the board of directors on 27 November 2001 and were signed on its behalf by:



Dr PC Knight
Director



RC Spilsbury
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards.

2 Turnover

Turnover represents rental and other property related income receivable from the parent undertaking, the University of Central England in Birmingham.

3 Stocks and work-in-progress

Stock represents the value of properties held for development, for subsequent resale to the University of Central England.

4 Deferred tax

No provision has been made for deferred tax on the grounds that the company transfers its taxable profits by deed of covenant to the University of Central England and therefore no deferred tax asset or liability will be realised in the company.

5 Profit on ordinary activities before taxation

	2001 £	2000 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration: Audit work	285	275
Non-audit work	795	760
	<hr/>	<hr/>

6 Remuneration of directors

The directors have not received any remuneration during the period.

7 Interest receivable

	2001 £	2000 £
Bank interest	416	330
	<hr/>	<hr/>

8 Interest payable and similar charges

	2001 £	2000 £
Charitable covenant to parent undertaking	10,240	13,040
	<hr/>	<hr/>

Notes (continued)

9 Stock

	2001 £	2000 £
Properties held for development	1,105,970	1,105,970

10 Debtors

	2001 £	2000 £
Called up share capital not paid	2	2

11 Creditors: Amounts falling due within one year

	2001 £	2000 £
Amounts due to parent undertaking	1,122,614	1,075,864
Accruals and deferred income	1,939	33,602
	<u>1,124,553</u>	<u>1,109,466</u>

12 Provisions

As explained in the accounting policies note, no provision has been made for deferred tax on the grounds that the company transfers its taxable profits by deed of covenant to the University of Central England and therefore no deferred tax asset or liability will be realised in the company.

13 Share capital

	2001 £	2000 £
<i>Authorised:</i>		
100 Ordinary shares of £1 each	100	100
<i>Allotted and called up:</i>		
2 Ordinary shares of £1 each	2	2

14 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2001 £	2000 £
<i>Land and buildings:</i>		
Operating leases which expire in over five years	245,575	245,575

Notes (continued)

15 Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it falls within the definition of a small company under Section 247 of the Companies Act 1985.

16 Related party transactions

The company is wholly owned by the University of Central England and in accordance with the exemption granted by FRS 8, transactions between the company and other group members have not been separately disclosed.

17 Parent undertaking

The company is a subsidiary undertaking of the University of Central England in Birmingham. The consolidated financial statements of the University are available to the public and may be obtained from:

University of Central England in Birmingham
Franchise Street
Perry Barr
Birmingham
B42 2SU