

**ROBINSON COLLEGE (CAMBRIDGE)
MANAGEMENT TRAINING LIMITED**

Report and Financial Statements

30 June 2000

**Deloitte & Touche
Leda House
Station Road
Cambridge CB1 2RN**

**(- 20/03/01)
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REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D A H Kerr
Lord Lewis of Newnham
Dr J A Williams
Mr P Hornby

SECRETARY

Miss P Addecott

REGISTERED OFFICE

Robinson College
Grange Road
Cambridge
CB3 9AE

BANKERS

Barclays Bank PLC
Bene't Street Branch
PO Box 2
Cambridge
CB2 3PZ

SOLICITORS

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 4DP

AUDITORS

Deloitte & Touche
Chartered Accountants
Leda House
Station Road
Cambridge
CB1 2RN

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

ACTIVITIES

The company's principal activity is the provision of residential training facilities.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The purpose-built centre was completed on 9 July 1999, occupied on 16 August 1999 and the company commenced trading on 1 September 1999. Start-up costs and initial trading losses were funded by working capital advanced by Robinson College. Forward orders did not match expectations between July and September 2000. The commercial, sales and marketing aspects of the company were strengthened in December 2000 and January 2001, and external funding has been obtained which will enable the company to meet its obligations until it is trading profitably. The directors are now satisfied with the progress of the company and are optimistic for the company's future prospects.

SHARE CAPITAL

The company is a wholly owned subsidiary of Robinson College, which holds the entire ordinary share capital.

DIVIDENDS

The directors cannot recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were as follows:

D A H Kerr
Lord Lewis of Newnham
Dr J A Williams

Mr P Hornby joined the Board on 22 February 2001.

None of the directors had any beneficial interest in the shares of the company.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT

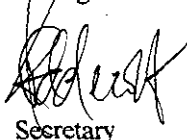
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

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



Secretary

23 March 2001



**ROBINSON COLLEGE (CAMBRIDGE)
MANAGEMENT TRAINING LIMITED**

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared 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 as at 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

27 March 2001

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2000

	Note	2000 £	1999 £
TURNOVER		1,552,178	-
Cost of sales		(1,473,838)	-
GROSS PROFIT		78,340	-
Administrative expenses		(805,760)	(61,077)
OPERATING LOSS	3	(727,420)	(61,077)
Interest payable and similar charges	4	(34,214)	(433)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(761,634)	(61,510)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR		(761,634)	(61,510)
Retained loss brought forward		(61,510)	-
Retained loss carried forward		(823,144)	(61,510)

All activities derive from continuing operations.

There are no recognised gains or losses for the current financial year and the preceding financial year other than as stated in the profit and loss account.

BALANCE SHEET
30 June 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	6	<u>1,075,530</u>	<u>1,076,449</u>
CURRENT ASSETS			
Stocks		19,657	-
Debtors	7	368,740	42,416
Cash at bank and in hand		-	34,816
		<u>388,397</u>	<u>77,232</u>
CREDITORS: amounts falling due within one year	8	<u>1,084,791</u>	<u>1,215,190</u>
NET CURRENT LIABILITIES		<u>(696,394)</u>	<u>(1,137,958)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>379,136</u>	<u>(61,509)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,202,280	1
Profit and loss account		<u>(823,144)</u>	<u>(61,510)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>379,136</u>	<u>(61,509)</u>

These financial statements were approved by the Board of Directors on 23 March 2001.

Signed on behalf of the Board of Directors



NOTES TO THE ACCOUNTS

Year ended 30 June 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.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computer equipment	33% per annum
Fixtures, fittings and equipment	10% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is taken, so far as practicable, as the price paid on a first in first out basis. All stocks held relate to finished goods.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No directors received any emoluments in the years ended 30 June 2000 and 30 June 1999.

The average number of employees during the year was 40 (1999 - 2).

	2000 £	1999 £
Staff costs during the year (including directors):		
Wages and salaries	524,999	18,445
Social security costs	39,935	1,784
	<u>564,934</u>	<u>20,229</u>

3. OPERATING LOSS

	2000 £	1999 £
Operating loss is after charging:		
Auditors' remuneration	3,000	1,500
Depreciation	<u>110,300</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Interest paid to group companies	34,123	-
Bank interest payable	<u>91</u>	<u>433</u>
	<u>34,214</u>	<u>433</u>

NOTES TO THE ACCOUNTS

Year ended 30 June 2000

5. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no tax charge for the year due to the loss incurred.

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 July 1999	11,546	1,064,903	1,076,449
Additions in year	970	108,411	109,381
At 30 June 2000	12,516	1,173,314	1,185,830
Accumulated depreciation			
At 1 July 1999	-	-	-
Charge in year	3,810	106,490	110,300
At 30 June 2000	3,810	106,490	110,300
Net book value			
At 30 June 2000	8,706	1,066,824	1,075,530
At 30 June 1999	11,546	1,064,903	1,076,449

At the year end future capital expenditure authorised and committed amounted to £nil (1999 - £84,596).

7. DEBTORS

	2000 £	1999 £
Trade debtors	356,300	-
Amounts due from fellow group companies	-	1
Other debtors	12,440	42,415
	<u>368,740</u>	<u>42,416</u>

All amounts are due within one year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	13,390	-
Trade creditors	73,273	-
Amounts due to parent undertaking	814,400	1,202,279
Other creditors	67,407	11,411
Accruals and deferred income	116,321	1,500
	<u>1,084,791</u>	<u>1,215,190</u>

Of the amount due to Robinson College, £99,400 will be capitalised by the issue of new ordinary shares before 30 June 2001.

NOTES TO THE TRADING PROFIT AND LOSS ACCOUNT
Year ended 30 June 2000

9. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are:

	Provided 2000 £	Unprovided 2000 £	Provided 1999 £	Unprovided 1999 £
Capital Allowances in excess of depreciation	-	(33,105)	-	-
Trading losses	-	(209,235)	-	-
	<u>-</u>	<u>(242,340)</u>	<u>-</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
1,250,000 (1999 - 2) ordinary shares of £1 each	<u>1,250,000</u>	<u>2</u>
Called up, allotted and fully paid		
1,202,280 (1999 - 1) ordinary shares of £1 each	<u>1,202,280</u>	<u>1</u>

The loan of £1,202,279 was converted into ordinary share capital.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss attributable to members of the company	(761,634)	(61,510)
Issue of shares	<u>1,202,279</u>	<u>-</u>
Net addition to (reduction in) shareholders' funds	440,645	(61,510)
Opening shareholders' funds	<u>(61,509)</u>	<u>1</u>
Closing shareholders' funds	<u>379,136</u>	<u>(61,509)</u>

12. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The company is wholly owned by Robinson College which is a college in the University of Cambridge.

The College publishes accounts to comply with the statutes of Cambridge University.

During the year the College advanced the amount of £99,400 (1999 - £1,202,280 (including VAT) was advanced to pay for the company's fixed assets) to complete the management training centre and £740,000 (1999 - nil) to cover working capital. Of this amount, £25,000 (1999 - nil) was repaid during the year.