

Company Registration number 4784719

LONDON UNIVERSITIES PURCHASING CONSORTIUM
(A COMPANY LIMITED BY GUARANTEE)

Financial Statements

For the year ended 31 July 2005

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Financial statements for the year ended 31 July 2005

Contents	Pages
Directors, officers and advisers	1
Directors' report	2
Independent Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-10
Detailed profit and loss account	11

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Directors, officers and advisers

Directors

D S Curtis
F Dabell
R Flatman
P Harding
J S Ritchie
A P Whitehead
N K Borkhataria
H J Wilson

Secretary and registered office

J S Ritchie
20 Guilford Street
London WC1N 2DZ

Registered number

4784719

Auditors

Knox Cropper
16 New Bridge Street
London EC4V 6AX

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Directors' report for the year ended 31 July 2005

The directors present their report and the financial statements of the company for the year ended 31 July 2005.

Principal activity

London Universities Purchasing Consortium (LUPC) is a company limited by guarantee and its members are predominantly universities, colleges and related institutions in higher and further education.

The principal activity of the company is to secure value for money for its subscribing members in relation to the procurement of goods and services.

The company was incorporated on 2 June 2003 and commenced to trade shortly thereafter.

Directors

The directors who served during the year were:

D S Curtis
F Dabell
R Flatman
P Harding
J S Ritchie
A P Whitehead
J J Whitlow (resigned 23 March 2005)
N K Borkhataria
H J Wilson
M R Hansen (resigned 31 July 2005)

The directors comprise senior employees of member institutions.

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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint Knox Cropper as auditors of the company will be proposed at the forthcoming annual general meeting.

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Directors' report for the year ended 31 July 2005 (continued)

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board

Company Secretary

Approved by the Board on 31 August 2005.

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Independent auditors' report to the members of London Universities Purchasing Consortium

We have audited the financial statements of London Universities Purchasing Consortium for the year ended 31 July 2005 which are set out on pages 5 to 10. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 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 United Kingdom Auditing Standards.

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 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 of 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 directors' report and consider whether it is consistent with the audited financial statements. 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 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 31 July 2005 and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Knox Cropper
Registered Auditors and Chartered Accountants
16 New Bridge Street
London EC4V 6AX

31 August 2005

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Profit and loss account for the year ended 31 July 2005

	<i>Notes</i>	<u>2005</u> £	<u>2004</u> £
Turnover	2	414,946	404,410
Staff costs		258,988	254,952
Depreciation and amortisation		1,022	501
Other operating charges		135,282	136,668
		395,292	392,121
Operating profit	3	19,654	12,289
Other income	10	-	141,678
Other interest receivable and similar income		10,422	6,308
Profit on ordinary activities before taxation		30,076	160,275
Taxation on profit on ordinary activities	5	100	-
Retained profit for the period		29,976	160,275

The notes on pages 7 to 10 form part of these financial statements.

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Balance sheet at 31 July 2005

	<i>Notes</i>	<u>2005</u> £	<u>2004</u> £
Fixed assets			
Tangible assets	6	1,544	2,566
Current assets			
Debtors	7	15,917	26,954
Cash at bank and in hand		208,595	139,449
		224,512	166,403
Creditors: amounts falling due within one year	8	(35,805)	(8,694)
Net current assets		188,707	157,709
Total assets less current liabilities		190,251	160,275
Capital and reserves			
Profit and loss account	9	190,251	160,275

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the board of directors on 31 August 2005 and signed on its behalf.

_____ - Director

The notes on pages 7 to 10 form part of these financial statements.

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Notes to the financial statements for the year ended 31 July 2005

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

b) Turnover

Turnover represents member and related income, including subscriptions, excluding value added tax.

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Fixtures and fittings 33 1/3% on cost

d) Operating leases

Rentals under operating leases are charged to the profit and loss account as they fall due.

e) Pension scheme

The company participates in the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL), which are funded defined benefit schemes. The schemes are contracted out of the State Earnings Related Scheme. The schemes are valued formally every three years by professionally qualified and independent actuaries using the projected unit method. Reviews of the schemes' position are carried out in the period between valuations. The expected costs of providing pensions is charged to the income and expenditure account so as to spread the cost of providing pensions over the period during which the company benefits from the employees' services.

2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company.

3 Profit on ordinary activities before taxation

This is stated after charging:

	<u>2005</u>	<u>2004</u>
	£	£
Depreciation	1,022	501
Auditors' remuneration - Audit fee	1,560	1,500
Auditors' remuneration - fees for non audit services	<u>6,390</u>	<u>6,810</u>

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Notes to the financial statements for the year ended 31 July 2005 (continued)

4 Directors' emoluments

	<u>2005</u> £	<u>2004</u> £
Emoluments	<u>62,874</u>	<u>61,177</u>

5 Tax on profit on ordinary activities

	<u>2005</u> £	<u>2004</u> £
United Kingdom corporation tax at 19%	<u>100</u>	<u>-</u>

LUPC is a mutual trading company and is only liable to corporation tax on income other than from its members.

6 Tangible fixed assets

	<i>Equipment fixtures and fittings</i> £	<i>Total</i> £
Cost:		
At 1 August 2004 and 31 July 2005	<u>3,067</u>	<u>3,067</u>
Depreciation:		
At 1 August 2004	501	501
Provision for the year	<u>1,022</u>	<u>1,022</u>
At 31 July 2005	<u>1,523</u>	<u>1,523</u>
Net book value:		
At 31 July 2005	<u>1,544</u>	<u>1,544</u>
At 31 July 2004	<u>2,566</u>	<u>2,566</u>

7 Debtors

	<u>2005</u> £	<u>2004</u> £
Trade debtors	<u>11,896</u>	24,019
Other debtors	<u>4,021</u>	<u>2,935</u>
	<u>15,917</u>	<u>26,954</u>

8 Creditors: amounts falling due within one year

	<u>2005</u> £	<u>2004</u> £
Trade creditors	<u>8,893</u>	-
Other creditors	<u>25,521</u>	4,256
Corporation tax	<u>100</u>	-
Other tax and social security	<u>1,291</u>	<u>4,438</u>
	<u>35,805</u>	<u>8,694</u>

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Notes to the financial statements for the year ended 31 July 2005 (continued)

9 Reserves

	<i>Profit and loss <u>account</u> £</i>
At 1 August 2004	160,275
Retained profit for the year	<u>29,976</u>
At 31 July 2005	<u>190,251</u>

10 Other income

The activities of LUPC were formerly undertaken by a cost centre of the University of London. Shortly after incorporation, the business was transferred to LUPC as a going concern, including net assets amounting to £141,678.

11 Pension Costs

a) Universities Superannuation Scheme (USS)

The company participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administrated fund.

The latest actuarial valuation of the scheme was at 31st March 2002. At the valuation date, the value of the assets of the scheme was £19,938 million and the value of the past service liabilities was £19,776 million leaving a surplus of assets of £162 million. The assets therefore were sufficient to cover 101% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The total pension cost for the company was £20,140 (2004: £20,302). The contribution rate payable by the company was 14% of pensionable salaries.

b) Superannuation Arrangements of the University of London (SAUL)

The company participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. The total pension cost for the company was £2,399 (2004: £2,250).

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out as at 31st March 2002. The market value of the scheme's assets was £941 million representing 121% of the liability for benefits after allowing for expected future increases in salaries.

The contribution rate required for future service benefits alone at the date of the valuation was 17.4% of salaries per annum.

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Notes to the financial statements for the year ended 31 July 2005 (continued)

12 Members

The company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum and Articles of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up.

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Profit and loss account for the year ended 31 July 2005

	<u>2005</u> £	<u>2004</u> £
Turnover		
Subscriptions	389,202	377,893
Advertising	10,722	13,094
Other member income	15,022	13,423
	<u>414,946</u>	<u>404,410</u>
Deduct: expenses		
Establishment	35,136	35,092
Administration	279,098	284,041
Marketing, conferences and seminars	69,306	60,530
Financial	10,730	11,957
Depreciation	1,022	501
	<u>395,292</u>	<u>392,121</u>
	19,654	12,289
Other income		
Interest receivable	10,422	6,308
Other income	-	141,678
	<u>30,076</u>	<u>160,275</u>
Net profit before taxation		

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Profit and loss account for the year ended 31 July 2005 (continued)

	<u>2005</u> £	<u>2004</u> £
Establishment		
Rent	<u>35,136</u>	<u>35,092</u>
Administration		
Emoluments for services as directors	62,874	61,177
Directors - Employers NI	6,731	6,282
Directors' contributions to defined benefit pension schemes	9,101	8,565
Office salaries	153,276	151,436
Employers NI	13,568	13,505
Employees' contributions to defined benefit pension schemes	13,438	13,987
Staff training	1,555	876
Temporary staff and agency fees	160	6,830
External training	6,173	5,386
Telephone	1,936	2,525
Insurance (including directors' and officers' liability)	5,372	5,515
Printing, postage and stationery	3,711	3,522
Subscriptions	925	1,466
Sundry expenses	278	2,969
	<u>279,098</u>	<u>284,041</u>
Marketing, conferences and seminars		
Newsletter	21,662	19,854
Conference expenditure	1,424	2,134
Travelling	5,632	4,798
Entertaining	1,259	731
Annual report	6,737	6,490
External services	12,675	5,484
Accommodation	2,949	2,336
Room hire	156	1,567
Catering	4,180	4,851
Exhibitions and seminars	2,944	6,667
IT services	7,294	2,051
AGM & social events	2,394	3,567
	<u>69,306</u>	<u>60,530</u>
Financial		
Bank charges	321	701
Internal audit	784	1,337
Audit fee	1,560	1,500
Other fees paid to the auditor	6,390	6,810
Legal & professional charges	1,675	1,609
	<u>10,730</u>	<u>11,957</u>

LONDON UNIVERSITIES PURCHASING CONSORTIUM

Profit and loss account for the year ended 31 July 2005 (continued)

	<u>2005</u> £	<u>2004</u> £
Depreciation		
Fixtures and fittings	<u>1,022</u>	<u>501</u>