

DELAMITE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2001



DELAMITE LIMITED

COMPANY INFORMATION

Directors

D L Kingsland
J D Parnham

Secretary

Bondlaw Secretaries Limited

Company number

2927607

Registered office

Town Quay House
7 Town Quay
Southampton
Hampshire
SO14 2PT

Auditors

Blueprint Audit Limited
Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

Bankers

Barclays Bank Plc
PO Box 29
102 St James Square
Newport
Isle of Wight
PO30 1XU

DELAMITE LIMITED

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DELAMITE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2001

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

Principal activities

The principal activity of the company continued to be that of the construction, installation and maintenance of a multiskills complex at The Isle of Wight College.

Directors

The following directors have held office since 1 August 2000:

D L Kingsland
J D Parnham

Directors' interests

	Ordinary shares of £1 each	
	31 July 2001	1 August 2000
D L Kingsland	-	-
J D Parnham	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Blueprint Audit Limited will be reappointed as auditors will be put to the Annual General Meeting.

DELAMITE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2001

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.

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

On behalf of the board


For and on behalf of
Bondlaw Secretaries Limited
Company Secretary

DELAMITE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF DELAMITE LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements and it is our responsibility to report our opinion to you.

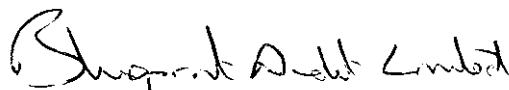
Basis of opinion

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Blueprint Audit Limited
Registered Auditor

Date: 24 May 2002

Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

DELAMITE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2001

	Notes	2001 £	2000 £
Turnover		60,000	60,000
Administrative expenses		(115,053)	(118,113)
Other operating income		7,449	7,449
Loss on ordinary activities before taxation	2	(47,604)	(50,664)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation	9	(47,604)	(50,664)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DELAMITE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2001

	Notes	2001 £	2000 £
Loss for the financial year		(47,604)	(50,664)
Prior year adjustment		-	(70,500)
Total gains and losses recognised since last financial statements		<u>(47,604)</u>	<u>(121,164)</u>

DELAMITE LIMITED

BALANCE SHEET AS AT 31 JULY 2001

		2001	2000
		£	£
Fixed assets			
Tangible assets	4	863,018	882,484
Current assets			
Cash at bank and in hand		88	504
Creditors: amounts falling due within one year	5	(2,475)	(4,539)
Net current liabilities		(2,387)	(4,035)
Total assets less current liabilities		860,631	878,449
Creditors: amounts falling due after more than one year	6	(668,661)	(701,926)
Accruals and deferred income	7	(327,771)	(335,220)
		<u>(135,801)</u>	<u>(158,697)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(135,802)	(158,698)
Shareholders' funds – equity interests		<u>(135,801)</u>	<u>(158,697)</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.

The financial statements were approved by the Board on 14th May 2002


D L Kingsland
Director

DELAMITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The directors consider it appropriate to prepare the financial statements on a going concern basis due to having the full financial support of the parent company The Isle of Wight College who have indicated that this support will continue for at least 12 months.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Over 50 years
Plant and machinery	10 - 50% Straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 Capital Grants

Grants in respect of capital expenditure are credited to the profit and loss account over a period of fifty years, the estimated useful life of the relevant fixed assets. The grants shown in the balance sheet as deferred credits represent the total grants receivable to date less the amounts so far credited to income.

2	Operating (loss)/profit	2001 £	2000 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	19,466	19,466
	Operating lease rentals	70,500	70,500
	Auditors remuneration	300	265
	and after crediting:		
	Capital grants	<u>7,449</u>	<u>7,449</u>

DELAMITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2001**

3	Taxation	2001 £	2000 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (2000 – 21%)	-	-
	Prior years		
	U.K. corporation tax	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

There is no liability to corporation tax given the loss incurred in the year.

4	Tangible fixed assets	Land and buildings £	Plant and machinery £	Total £
	Cost			
	At 1 August 2000 & at 31 July 2001	973,318	12,376	985,694
	Depreciation			
	At 1 August 2000	90,834	12,376	103,210
	Charge for the year	19,466	-	19,466
		<u>110,300</u>	<u>12,376</u>	<u>122,676</u>
	At 31 July 2001	110,300	12,376	122,676
	Net book value			
	At 31 July 2001	863,018	-	863,018
		<u>882,484</u>	<u>-</u>	<u>882,484</u>
	At 31 July 2000	882,484	-	882,484

5	Creditors	2001 £	2000 £
	Trade creditors	-	100
	Other creditors	2,475	4,439
		<u>2,475</u>	<u>4,539</u>

DELAMITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2001

6 Creditors: amounts falling due after one year

	2001 £	2000 £
Other creditors	668,661	701,926
Analysis of loans		
Not wholly repayable within five years other than by instalments	668,661	701,926
Loan maturity analysis		
In more than five years	668,661	701,926

Other creditors represent a loan from The Isle of Wight College, which was interest free until 17 November 1995. At this date interest accrued at the rate of 8% per annum. The Isle of Wight College have again agreed to waive the interest charge for this year.

The loan is secured by a floating charge over the company's assets.

7 Accruals and deferred income

	Capital grants £
Balance at 1 August 2000	335,220
Amortisation in the year	(7,449)
Balance at 31 July 2001	327,771

8 Share capital

	2001 £	2000 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

DELAMITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2001

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2000	(88,198)
Loss for the year	(47,604)
Balance at 31 July 2001	<u>(135,802)</u>

10 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Loss for the financial year	(47,604)	(50,664)
Opening shareholders' funds	(88,197)	(108,033)
Closing shareholders' funds	<u>(135,801)</u>	<u>(158,697)</u>

11 Financial commitments

At 31 July 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001 £	2000 £
Expiry date:		
In over five years	<u>70,500</u>	<u>70,500</u>

12 Control

The ultimate controlling party is The Isle of Wight College (a Further Education Corporation).

DELAMITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2001**

13 Related party transactions

During the year Delamite Limited received an additional loan from The Isle of Wight College. At the balance sheet date an amount of £668,661 was outstanding owed to The Isle of Wight College (2000:£701,926).

Also during the year Delamite Limited received rent from Multiskills (Isle of Wight) Limited, another subsidiary of The Isle of Wight College, amounting to £60,000 (2000:£60,000) and paid management fees of £20,000 (£20,000) and rent of £70,500 (2000:£70,500) to The Isle of Wight College.