

**BRIDGEND COLLEGE ENTERPRISES
LIMITED**

Annual Report and Financial Statements

Year ended 31 July 2004



BRIDGEND COLLEGE ENTERPRISES LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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BRIDGEND COLLEGE ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	R Hampton E D Williams J E Chapman
Secretary	E D Williams
Registered office	Cowbridge Road Bridgend CF31 3DF
Registered number	3378821
Bankers	Barclays Bank plc Windsor Court 3 Windsor Place Cardiff CF10 3BT
Solicitors	Morgan Cole PO Box 45 Princess House Princess Way Swansea SA1 3LJ
Auditors	RSM Robson Rhodes LLP Chartered Accountants 10 Queen Square Bristol BS1 4NT

BRIDGEND COLLEGE ENTERPRISES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 July 2004.

PRINCIPAL ACTIVITIES

The principal activities of the company are the provision of training and other educational activities.

REVIEW OF DEVELOPMENTS

The directors are satisfied with the result in the year and are optimistic about the company's future prospects.

RESULTS

The results for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend (2003 - £Nil). A donation was paid to Bridgend College of £203,628 (2003 - £375,620)

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. All members served throughout the year.

None of the directors held any interests, as defined by the Companies Act 1985, in the £1 ordinary shares of the company.

Bridgend College, the parent company, holds 50,000 £1 ordinary shares.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law in the United Kingdom 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; and
- 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 enable them to ensure that the financial statements comply with 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.

AUDITORS

RSM Robson Rhodes LLP were appointed with effect from 1st August 2002. RSM Robson Rhodes LLP are willing to continue in office and are deemed to be re-appointed in accordance with the elective resolution currently in force.

APPROVAL

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

The report of the directors was approved by the Board on 8/12/04 and signed on its behalf by:

E D Williams
Secretary



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIDGEND COLLEGE ENTERPRISES LIMITED

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

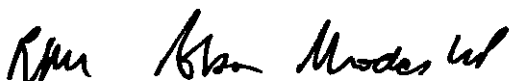
Basis of audit opinion

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 affairs of the company as at 31 July 2004 and of its 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.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Bristol

Date



BRIDGEND COLLEGE ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2004

	Note	2004 £	2003 £
TURNOVER: continuing operations	2	1,845,302	1,864,308
Administrative expenses		<u>1,644,045</u>	<u>1,486,847</u>
OPERATING PROFIT: continuing operations	4	201,257	377,461
Interest receivable		2,371	4,275
Donations	5	(203,628)	(375,620)
		<u> </u>	<u> </u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		0	6,116
Tax on profit on ordinary activities	6	<u>539</u>	<u>(1,405)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>539</u>	<u>4,711</u>

There have been no recognised gains or losses attributable to the shareholders other than the profit for the current financial year and, accordingly, no Statement of Total Recognised Gains and Losses is shown.

BRIDGEND COLLEGE ENTERPRISES LIMITED

BALANCE SHEET at 31 July 2004

	Note	2004 £	2003 £
FIXED ASSETS	7	24,637	28,354
CURRENT ASSETS			
Debtors	8	157,173	184,459
Cash at bank		227,721	352,882
		384,894	537,341
CREDITORS: amounts falling due within one year	9	(358,124)	(515,693)
NET CURRENT ASSETS/LIABILITIES		26,770	21,648
TOTAL ASSETS LESS CURRENT LIABILITIES		51,407	50,002
PROVISIONS FOR LIABILITIES	10	(866)	0
NET ASSETS		50,541	50,002
		50,541	50,002
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account	12	541	2
SHAREHOLDERS' FUNDS	13	50,541	50,002

The financial statements have been prepared in accordance with the Special Provisions of Part VII of the Companies' Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 8/12/04 and signed on its behalf by

Director



FINANCIAL STATEMENTS

Year ended 31 July 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002) under the historical cost convention.

Deferred taxation

Deferred tax is provided on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from:

- a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; and
- b) gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

Tangible fixed assets

Freehold Buildings are depreciated over their expected useful economic life of between 15 and 50 years.

Plant is depreciated over its useful economic life of 10 years.

Equipment costing less than £350 per individual item is written off to the profit and loss account in the period of acquisition. All other equipment is capitalised at cost and depreciated on a straight line basis over its useful economic life as follows:

Furniture and fittings 5 years

Computer equipment 3 years

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax.

The turnover, which arises in the United Kingdom, is attributable to the company's principal activity.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no emoluments in the current or previous year.

There are no other employees.

BRIDGEND COLLEGE ENTERPRISES LIMITED

FINANCIAL STATEMENTS

Year ended 31 July 2004

4. OPERATING PROFIT

	2004 £	2003 £
Operating profit is after charging:		
Auditors' remuneration	1,580	4,250
Depreciation	7,541	4,500
	<u> </u>	<u> </u>

5. DONATIONS

	2004 £	2003 £
Donation to Bridgend College	203,628	375,620
	<u> </u>	<u> </u>

6 TAXATION

	2004 £	2003 £
Corporation tax charge at 19%	0	1,405
Adjustments in respect of prior year	(1,405)	-
TOTAL CURRENT TAX CHARGE	<u>(1,405)</u>	<u>1,405</u>
Deferred Tax:		
Net origination	866	0
Adjustment in respect of prior years	0	0
	<u>866</u>	<u>0</u>
TOTAL TAX CHARGE	<u>(539)</u>	<u>1,405</u>

Reconciliation of current years tax charge

Profit per accounts	0	6,116
	<u> </u>	<u> </u>
Corporation tax at 19%/30%	0	1,162
Expenses not deductible for tax purposes	439	1,777
Capital allowances in excess of depreciation	21	(676)
Movement in short term timing differences	490	(189)
Tax credits	(950)	-
Overprovision of previous year's tax charge	(1,405)	
Marginal relief	0	(669)
	<u>(1,405)</u>	<u>1,405</u>

BRIDGEND COLLEGE ENTERPRISES LIMITED

FINANCIAL STATEMENTS

Year ended 31 July 2004

7. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant and machinery £	Total £
Cost			
At 1 August 2003	679	34,183	34,862
Additions	0	3,824	3,824
	<u>679</u>	<u>38,007</u>	<u>38,686</u>
At 31 July 2004			
Accumulated depreciation			
At 1 August 2003	11	6,497	6,508
Charge for the year	34	7,507	7,541
	<u>45</u>	<u>14,004</u>	<u>14,049</u>
At 31 July 2004			
Net book value			
At 31 July 2004	<u>634</u>	<u>24,003</u>	<u>24,637</u>
At 31 July 2003	<u>668</u>	<u>27,686</u>	<u>28,354</u>

8. DEBTORS

	2004 £	2003 £
Trade debtors	<u>157,173</u>	<u>184,459</u>

All amounts are due within one year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	78,051	71,191
Amount due to parent undertaking	197,712	375,620
Tax Creditor	0	1,405
Accruals	<u>82,361</u>	<u>67,477</u>
	<u>358,124</u>	<u>515,693</u>

10. PROVISIONS FOR LIABILITIES AND RESERVES

	2004 £	2003 £
Deferred Tax		
Accelerated capital allowances	232	0
Short term timing differences	<u>634</u>	<u>0</u>
	<u>866</u>	<u>0</u>

BRIDGEND COLLEGE ENTERPRISES LIMITED

FINANCIAL STATEMENTS

Year ended 31 July 2004

11. SHARE CAPITAL

	2004 £	2003 £
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

12. RESERVES

	2004 £	2003 £
Balance brought forward at 1 August 2003	2	(4,709)
Retained profit/(loss) in the year	539	4711
Balance carried forward at 31 July 2004	541	2

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2004 £	2003 £
Balance brought forward at 1 August 2003	50,002	(4,707)
Retained profit/(loss) for the year	539	4711
Shares issued in the year	0	49,998
Balance carried forward at 31 July 2004	50,541	50002

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption given in Financial Reporting Standard 8, and not disclosed transactions with group companies of which the group owns more than 90% of the voting rights, and which are eliminated on consolidation.

15. ULTIMATE PARENT COMPANY

The directors regard Bridgend College as the ultimate parent undertaking. A copy of its accounts may be obtained from its principal place of business, Bridgend College, Cowbridge Road, Bridgend, CF31 3DF.

16. COMMITMENTS AND CONTINGENT LIABILITIES

There were no Commitments or Contingent Liabilities at 31 July 2004.

17. POST BALANCE SHEET EVENT

There are no significant post balance sheet events.