Company Registration No. 3378821

BRIDGEND COLLEGE ENTERPRISES LIMITED

Annual Report and Financial Statements

Year ended 31 July 2007

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CONTENTS

	Page
Company information	1
Report of the Directors	2
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

COMPANY INFORMATION

Directors		Appointed	Resigned
	M Jones	August 2005	
	E D Williams	August 2002	October 2006
	J E Chapman	August 2002	
	TG Coles	August 2004	
	AM Gibbs	October 2006	
	JW Goldsworthy	August 2006	
Secretary	E D Williams	August 2002	October 2006
	AM Gibbs	October 2006	
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	Grant Thornton UK LLP Chartered Accountants 10 Queen Square Bristol BS1 4NT		

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 July 2007

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 5 The directors do not recommend the payment of a dividend (2006 - £Nil) A donation was paid to Bridgend College of £381,412 (2006 £298,005) during the year

Directors and their interests

The present membership of the Board is set out on page 1 Unless otherwise stated 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

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

REPORT OF THE DIRECTORS *(continued)*

Auditors

RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 1 July 2007, with the successor firm being Grant Thornton Robson Rhodes resigned as auditors on 11 July 2007, creating a casual vacancy, which the directors have filled by appointing Grant Thornton A resolution to reappoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting

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 12 December 2007 and signed on its behalf by:

A M Gibbs
Secretary

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

We have audited the financial statements on pages 5 to 11

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 law and United Kingdom Accounting Standards

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 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 other transactions is not disclosed

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 July 2007 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Bristol, England
12 December 2007

PROFIT AND LOSS ACCOUNT
Year ended 31 July 2007

	Note	2007 £	2006 £
TURNOVER· continuing operations	2	1,511,643	1,341,527
Administrative expenses		(1,124,471)	(1,049,286)
OPERATING PROFIT continuing operations	4	387,172	292,241
Loss on disposal of fixed assets		(9,374)	-
Interest receivable		3,614	5,764
Donations	5	(381,412)	(298,005)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	6	530	(530)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	12	530	(530)

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

BALANCE SHEET
As at 31 July 2007

	Note	2007 £	2006 £
FIXED ASSETS	7	20,179	46,841
CURRENT ASSETS			
Debtors	8	175,794	135,719
Cash at bank		284,435	250,068
		460,229	385,787
CREDITORS amounts falling due within one year	9	(428,957)	(381,177)
NET CURRENT ASSETS		31,272	4,610
TOTAL ASSETS LESS CURRENT LIABILITIES		51,451	51,451
PROVISIONS FOR LIABILITIES	10	-	(530)
NET ASSETS		51,451	50,921
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account	12	1,451	921
SHAREHOLDERS' FUNDS	13	51,451	50,921

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 12 December 2007 and signed on its behalf by

Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2007

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 with a life of less than one year 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

General equipment, furniture and fittings	5 years
Computer equipment	4 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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2007 *(continued)*

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no emoluments in the current or previous year

There are no other employees

4. OPERATING PROFIT

	2007 £	2006 £
Operating profit is after charging		
Auditors' remuneration	3,750	4,000
Depreciation	17,288	15,469

5. DONATIONS

	2007 £	2006 £
Donation to Bridgend College	381,412	298,005

6. TAXATION

	2007 £	2006 £
Corporation tax charge at 20% (2006 19%)	-	-
Adjustments in respect of prior year	-	-
TOTAL CURRENT TAX CHARGE	-	-
Deferred tax		
Change in tax rate	(2)	-
Net origination	42	(146)
Adjustment in respect of prior years	(570)	676
	(530)	530
TOTAL TAX CHARGE	(530)	530
Reconciliation of current years tax charge		
Profit on ordinary activities before tax	-	-
Corporation tax at 20 (2006 19%)	-	-
Expenses not deductible for tax purposes	20	(146)
Capital allowances in excess of depreciation	2,635	301
Other short term timing differences	(2,655)	(155)
TOTAL TAX CHARGE	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2007 *(continued)*

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 August 2006	668	78,766	79,434
Disposals	(668)	(24,835)	(25,503)
At 31 July 2007	-	53,931	53,931
Accumulated depreciation			
At 1 August 2006	102	32,491	32,593
Charge for the year	34	17,254	17,288
Depreciation on disposals	(136)	(15,993)	(16,129)
At 31 July 2007	-	33,752	33,752
Net book value			
At 31 July 2007	-	20,179	20,179
At 31 July 2006	566	46,275	46,841

8. DEBTORS

	2007 £	2006 £
Trade debtors	175,794	135,719

All amounts are due within one year

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	23,837	39,707
Amount due to parent undertaking	381,412	298,005
Accruals	23,708	43,465
	428,957	381,177

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2007 *(continued)*

10. PROVISIONS FOR LIABILITIES AND RESERVES

Deferred tax	£
Movement in year	
At 1 August 2006	530
Credit for the year	(530)
At 31 July 2007	-

An analysis of provided and unprovided deferred tax is set out below

	Unprovided 2007 £	Provided 2006 £
Accelerated capital allowances	(2,159)	1,046
Short term timing differences	2,139	(516)
	(20)	530

11. SHARE CAPITAL

	2007 £	2006 £
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

	2007 £	2006 £
Balance brought forward at 1 August	921	1,451
Retained profit/(loss) in the year	530	(530)
Balance carried forward at 31 July	1,451	921

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2007 *(continued)*

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2007 £	2006 £
Balance brought forward at 1 August	50,921	51,451
Retained profit/(loss) for the year	530	(530)
Balance carried forward at 31 July	51,451	50,921

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 2007

17. POST BALANCE SHEET EVENT

There are no significant post balance sheet events