Trent College Trading Limited

Directors' report and financial statements

Registered number 02722285

31 July 2006

Contents

Directors' report

The directors present their report and the audited financial statements for the year ended 31 July 2006.

Business review

The company has continued to rent the business centre to its parent company, together with running external functions and courses.

Results

The results of the company for the year are disclosed on page 4.

Dividends

No dividends are proposed for the year.

Charitable donations

Each year, the company makes provision for payment of its taxable profit to its parent undertaking under the Gift Aid scheme. During the year, an amount of £125,029 *(2005: £93,262)* was provided.

Directors and their interests

The directors who held office during the year and up to the date of signature of this report are shown below:

BR Allen	Resigned 30 March 2006
DA Beeby	
BL Harris	Resigned 5 January 2005
CM McDowell	Appointed 10 November 2005
PR Gratton	Appointed 10 November 2005

Secretary
DMJ Clark

None of the directors have any beneficial interest in the share capital of the company.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

A resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

DMJ Clark
Secretary

Trent College
Long Eaton
Nottingham
NG10 4AD

Dated: 28 November 2006

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
St Nicholas House
Park Row
Nottingham NG1 6FQ

Report of the independent auditor to the members of Trent College Trading Limited

We have audited the company financial statements of Trent College Trading Limited for the year ended 31 July 2006 which comprise primary statements such as the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under 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 directors' report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 2. 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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements. 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 read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

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 evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its loss for the year then ended;
- the financial statements 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.

KPMG LLP

Chartered Accountants
Registered Auditor

28 November 2006

Profit and loss account
for the year ended 31 July 2006

	Note	2006 £	2005 £
Turnover	2	142,588	98,644
Cost of sales		-	-
Gross profit		142,588	98,644
Administrative expenses (including Gift Aid payment of £125,029 *(2005: £93,262)*)		(178,704)	(115,325)
Loss on ordinary activities before taxation	3	(36,116)	(16,681)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(36,116)	(16,681)
Deficit brought forward		(116,088)	(99,407)
Deficit carried forward		(152,204)	(116,088)

The company has no recognised gains or losses other than those reflected in the profit and loss account.

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

Note of historical cost profits and losses

	2006 £	2005 £
Reported loss on ordinary activities before taxation	(36,116)	(16,681)
Difference between a historical cost depreciation charge and the actual *depreciation charge for the year calculated on the revalued amount*	19,433	-
Historical cost loss on ordinary activities before taxation	(16,683)	(16,681)

Balance sheet
as at 31 July 2006

	Note	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	6		1,047,516		1,083,637
Current assets					
Cash at bank and in hand		91,398		64,205	
Creditors: amounts falling due within one year	7	(942,750)		(915,562)	
Net current liabilities			(851,352)		(851,357)
Net assets			196,164		232,280
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account			(152,204)		(116,088)
Revaluation reserve	9		348,366		348,366
Equity shareholders' funds	10		196,164		232,280

These financial statements were approved by the board of directors on 29 November 2006 and were signed on its behalf by:

PR Gratton
Director

Notes
(forming part of the financial statements)

1 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention, modified to include the revaluation of buildings at depreciated replacement cost. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Fixed assets

Freehold buildings are depreciated on a straight line basis over 30 years.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Gift aid payments

Gift aid unpaid at the balance sheet date is only recognised as a liability at the date to the extent that is is appropriately authorised and are no longer at the discretion of the company. Unpaid gift aid that does not meet this criteria are disclosed in the notes to the financial statements.

2 Turnover

Turnover represents the net value of sales to customers excluding value added tax.

3 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following:

	2006	2005
	£	£
Auditor's remuneration - audit	**1,800**	1,800
Depreciation	**36,121**	16,688
Gift Aid payment	**125,029**	93,262

4 Staff numbers and costs

The average number of persons employed (including directors) during the year was nil *(2005: nil)*.

Notes *(continued)*

5 Taxation

There is no liability to tax during the current or preceding year.

Factors affecting the tax charge for the current year

The tax assessed for the year is £6,862 higher *(2005: £3,169 higher)* than the standard rate of corporation tax in the UK for small companies of 19% *(2005: 19%)*. The differences are explained below:

	2006	2005
	£	£
Loss on ordinary activities before taxation	**(36,116)**	(16,681)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK for small companies of 19% *(2005: 19%)*	**(6,862)**	(3,169)
Effects of:		
Capital allowances in the year in excess of depreciation	**6,862**	3,169
Current tax charge for the year	-	-

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would only be payable if the property were sold without being possible to claim rollover relief. At present, it is not envisaged that any tax will become payable in the foreseeable future.

6 Tangible fixed assets

	Freehold buildings £
Valuation	
At 1 August 2005 and 31 July 2006	1,083,637
Accumulated depreciation	
At 1 August 2005	-
Charge for the year	36,121
At 31 July 2006	36,121
Net book value	
At 31 July 2006	**1,047,516**
At 31 July 2005	1,083,637

The freehold buildings were revalued by Innes England (Chartered Surveyors) as at 31 July 2005. The valuation was performed in accordance with the Statement of Asset Valuation and Guidance Notes, published by the Royal Institute of Chartered Surveyors. The valuation was performed on the basis of depreciated replacement cost.

Had the freehold buildings not been revalued, they would be stated at historic cost of £834,404 less accumulated depreciation of £99,133.

Notes *(continued)*

7 Creditors: amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	936,500	905,216
Other creditors including taxation and social security	2,070	5,181
Accruals and deferred income	4,180	5,165
	942,750	915,562
Taxation and social security comprise:		
VAT	2,070	5,181

8 Called up share capital

	2006 £	2005 £
Authorised:		
Ordinary shares of £1 each	100	100
Allotted, issued and fully paid:		
Ordinary shares of £1 each	2	2

9 Revaluation reserve

	2006 £	2005 £
Reserve brought forward	348,366	-
Revaluation in year	-	348,366
Balance at end of year	348,366	348,366

10 Reconciliation of movements in equity shareholders' funds

	2006 £	2005 £
Loss for the financial year	(36,116)	(16,681)
Revaluation in year	-	348,366
Opening equity shareholders' funds	232,280	(99,405)
Closing equity shareholders' funds	196,164	232,280

Notes *(continued)*

11 Related party transactions

During the year the company charged rent of £52,000 *(2005: £52,000)* to the parent company Trent College Limited. The company also made provision for Gift Aid payments to its parent company of £125,029 for the year *(2005: £93,262).* At the year end the company owed £936,500 *(2005: £905,216)* to Trent College Limited.

12 Ultimate parent company

The company is a wholly owned subsidiary of Trent College Limited, a company registered in England and Wales. Copies of the group financial statements may be obtained from: The Bursar, Trent College, Long Eaton, Nottingham, NG10 4AD.