

**WESTFIRST LIMITED**

**ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2005**

**Registered number: 02906949**

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**WESTFIRST LIMITED**

**ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2005**

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## **WESTFIRST LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2005**

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

#### **PRINCIPAL ACTIVITIES**

The company's principal activities were those of boilerhouse management, the supply of heat, gas and electricity and lettings of New College Durham premises to external organisations.

#### **FUTURE DEVELOPMENTS IN THE COMPANY'S BUSINESS**

The directors do not foresee any significant changes in the level or scope of the company's operations.

#### **RESULTS AND DIVIDENDS**

The company's profit for the financial year is £137 (2004: £(1,469) loss). The directors do not recommend the payment of a dividend.

The company's parent undertaking has confirmed that it will continue to support the company for the foreseeable future.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year are given below:

J Widdowson

K Willans (resigned 13<sup>th</sup> July 2005)

M Macourt (appointed 13<sup>th</sup> July 2005)

None of the directors held any interest in the share capital of the company.

#### **STATEMENT OF 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;
- 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 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

**WESTFIRST LIMITED**

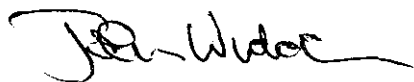
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2005 (continued)**

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**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J Widdowson', with a long horizontal flourish extending to the right.

J Widdowson  
Director

26 October 2005

## **Independent auditors' report to the members of Westfirst Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on pages 1 and 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The only other information comprises the directors' report.


### **Basis of audit 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 at 31 July 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

Date 28/10/05

**WESTFIRST LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2005**

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
<b>TURNOVER</b>	1,2	254,150	204,852
Cost of sales		<u>(213,945)</u>	<u>(158,371)</u>
<b>GROSS PROFIT</b>		40,205	46,481
Other Operating Income	4	5,269	5,670
Administrative expenses	5	<u>(30,584)</u>	<u>(35,191)</u>
<b>OPERATING PROFIT</b>		14,890	16,960
Interest receivable and similar income	8	735	1,425
Interest payable	9	(15,488)	(14,855)
Charitable donation	10	<u>0</u>	<u>(4,999)</u>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		137	(1,469)
Taxation on profit on ordinary activities	11	<u>-</u>	<u>-</u>
<b>RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>	18	<u>137</u>	<u>(1,469)</u>

All of the activities of the company relate entirely to continuing operations.

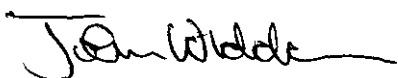
The company has no recognised gains and losses other than the gain above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the results on ordinary activities before taxation and the results for the financial year stated above and their historical cost equivalent.

**WESTFIRST LIMITED****BALANCE SHEET AS AT 31 JULY 2005**

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
<b>FIXED ASSETS</b>			
Tangible assets	12	<u>305,509</u> 305,509	<u>345,056</u> 345,056
<b>CURRENT ASSETS</b>			
Debtors	13	21,432	28,139
Cash at bank and in hand		<u>4,654</u>	<u>14,584</u>
		26,086	42,723
<b>CREDITORS</b> (amounts falling due within one year)	14	(114,582)	(156,055)
<b>NET CURRENT (LIABILITIES)</b>		<u>(88,496)</u>	<u>(113,332)</u>
<b>CREDITORS</b> (amounts falling due after one year)	15	(210,347)	(225,195)
<b>NET ASSETS</b>		<u>6,666</u>	<u>6,529</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	17	2,000	2,000
Profit and loss account	18	<u>4,666</u>	<u>4,529</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>6,666</u>	<u>6,529</u>

The financial statements on pages 4 to 12 were approved by the board of directors on 26 October 2005 and signed on its behalf by:



J Widdowson  
Director

## **WESTFIRST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2005**

#### **1. ACCOUNTING POLICIES**

##### **(a) Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounts have been prepared on the going concern basis as the company's parent undertaking has confirmed that it will continue to support the company for the foreseeable future.

##### **(b) Turnover**

Turnover represents the invoiced value of goods and services, exclusive of value added tax.

##### **(c) Deferred taxation**

Provision for deferred taxation is made where it is probable that a liability will crystallise at the rates estimated to be effective in the future.

##### **(d) Tangible Fixed Assets**

Tangible fixed assets are shown at cost. The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition.

The Directors have agreed to follow the depreciation policy adopted by New College Durham. Depreciation is calculated to write off the cost of tangible fixed assets, from the time they become operational, less their estimated residual value on a straight line basis over their estimated economic life as follows:

Freehold buildings – 20 years  
Fixtures and Fittings – 20 years  
Fixtures and Fittings (Pipeworks) – 58 months

The economic life of the pipeworks was calculated as 58 months. The pipeworks have now been demolished.

##### **(e) Government Grants**

Government grants received for the complete or partial funding of fixed assets are treated as deferred income. The income is released to the profit and loss account over the useful economic life of the asset.



## **WESTFIRST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2005 (continued)**

#### **2. SEGMENTAL REPORTING**

The company's activities are derived entirely within the United Kingdom.

Analysis of Turnover:

	<u>2005</u> £	<u>2004</u> £
By activity:		
Supply of utilities	207,245	151,091
Lettings of Premises	3,322	5,892
Boilerhouse Management	<u>43,583</u>	<u>47,869</u>
	<u>254,150</u>	<u>204,852</u>

#### **3. CASHFLOW STATEMENT AND RELATED PARTY DISCLOSURES**

The company is a wholly owned subsidiary of New College Durham and is included within the consolidated financial statements of New College Durham, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with New College Durham.

#### **4. OTHER INCOME**

	<u>2005</u> £	<u>2004</u> £
Release of deferred income	<u>5,269</u>	<u>5,670</u>

The release of deferred income relates to a government grant received to partially fund fixed assets.

#### **5. ADMINISTRATIVE EXPENSES**

The administrative expenses include the depreciation charge for the period of £28,817 (2004; £33,866).

#### **6. DIRECTORS' EMOLUMENTS**

None of the directors received any remuneration for services rendered to the company during the year (2004: Nil).

**WESTFIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2005 (continued)**

**7. EMPLOYEE INFORMATION**

There were no persons employed by the company during the year (2004: Nil).

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2005</u> £	<u>2004</u> £
Other interest receivable	<u>735</u>	<u>1,425</u>
	<u>735</u>	<u>1,425</u>

**9. INTEREST PAYABLE**

	<u>2005</u> £	<u>2004</u> £
Bank Interest	403	132
Interest payable to parent undertaking on inter-company loan	<u>15,085</u>	<u>14,723</u>
	<u>15,488</u>	<u>14,855</u>

**10. CHARITABLE DONATION**

	<u>2005</u> £	<u>2004</u> £
Charitable donation	<u>0</u>	<u>4,999</u>
	<u>0</u>	<u>4,999</u>

The donation represents a gift aid payment to New College Durham.

**WESTFIRST LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2005 (continued)****11. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge for the year comprises:

	<u>2005</u>	<u>2004</u>
	£	£
<b>Current tax:</b>		
UK Corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

There is an unprovided deferred tax asset of £400 arising from losses carried forward.

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	<u>2005</u>	<u>2004</u>
	£	£
Profit / (Loss) on ordinary activities	137	(1,469)
Profit / (Loss) on ordinary activities multiplied by standard rate in the UK 19% (2004 : 19 %)	26	(279)
Effects of:		
Expenses not deductible for tax purposes	(315)	-
Tax Credits	(438)	(948)
Accelerated capital allowances and other timing differences	3,931	4,442
Utilisation of tax losses brought forward	(3,203)	(3,215)
Tax rate difference	(1)	-
Adjustments to tax charge in respect of previous period	<u>-</u>	<u>-</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

**WESTFIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2005 (continued)**

**12. FIXED ASSETS**

	Land and Buildings	Fixtures and Fittings	Fixtures and Fittings (Pipeworks)	Total
	£	£	£	£
<u>Cost</u>				
At 1 August 2004	131,581	278,780	64,515	474,876
Disposals	-	(7,493)	(3,237)	(10,730)
Additions	-	-	-	-
At 31 July 2005	<u>131,581</u>	<u>271,287</u>	<u>61,278</u>	<u>464,146</u>
<u>Depreciation</u>				
At 1 August 2004	25,220	53,433	51,167	129,820
Charge for year	<u>6,579</u>	<u>12,127</u>	<u>10,111</u>	<u>28,817</u>
At 31 July 2005	<u>31,799</u>	<u>65,560</u>	<u>61,278</u>	<u>158,637</u>
Net book value at 31 July 2005	<u>99,782</u>	<u>205,727</u>	<u>0</u>	<u>305,509</u>
Net book value at 31 July 2004	<u>106,361</u>	<u>225,347</u>	<u>13,348</u>	<u>345,056</u>

Fixed assets additions were partially funded by means of a grant from the Learning & Skills Council of £111,740.

**13. DEBTORS**

	<u>2005</u> £	<u>2004</u> £
Amounts owed by parent undertaking	17,999	24,805
Other debtors	1,433	1,334
Called up share capital not paid	<u>2,000</u>	<u>2,000</u>
	<u>21,432</u>	<u>28,139</u>

**14. CREDITORS (amounts falling due within one year)**

	<u>2005</u> £	<u>2004</u> £
Amounts owed to parent undertaking	28,040	32,261
Other accruals and deferred income	<u>86,542</u>	<u>123,794</u>
	<u>114,582</u>	<u>156,055</u>

Other accruals and deferred income includes an amount of £84,736 (2004 : £91,655) relating to a government grant received from the Learning & Skills Council.

**WESTFIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2005 (continued)**

**15. CREDITORS (amounts falling due after one year)**

	<u>2005</u> £	<u>2004</u> £
Inter-company loans (note 16)	<u>210,347</u>	<u>225,195</u>

**16. LOANS**

	<u>2005</u> £	<u>2004</u> £
Inter-company loan over 20 years	<u>210,347</u>	<u>225,195</u>

Interest is charged at 1.5% above the Co-operative Bank base rate.

**17. CALLED UP SHARE CAPITAL**

	<u>2005</u> £	<u>2004</u> £
<b>Authorised</b>		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
<b>Allotted, and fully paid</b>		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

**WESTFIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2005 (continued)**

**18. RESERVES**

	<u>Profit and Loss account</u> £
At 1 August 2004	4,529
Retained profit for the financial year	<u>137</u>
At 31 July 2005	<u>4,666</u>

**19. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICITS**

	<u>2005</u> £	<u>2004</u> £
Profit / (Loss) for the financial year	137	(1,469)
Shareholders' funds/(deficit) as at 1 August	<u>6,529</u>	<u>7,998</u>
Shareholders' funds as at 31 July	<u>6,666</u>	<u>6,529</u>

**20. RELATED PARTIES TRANSACTIONS**

The company has taken advantage of the exemption available under Financial Reporting Standard No. 8 (FRS8) and has not disclosed transactions that are with New College Durham.

**21. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking and controlling party is New College Durham. Copies of the consolidated financial statements can be obtained from the Head of Finance, New College Durham, Framwellgate Moor Centre, Durham, DH1 5ES.