



GRIMSBY COLLEGE DEVELOPMENTS LIMITED

COMPANY NUMBER 3059902

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2002



GRIMSBY COLLEGE DEVELOPMENTS LIMITED

Professional Advisors

External Auditors: KPMG LLP, 1 The Embankment, Neville St., Leeds. LS1 4DW

Internal Auditors: RSM Robson Rhodes, 40 Great George Street, Leeds, LS1 3DQ

Bankers: Lloyds TSB plc, Old Market Place, Grimsby. DN31 1BN

Solicitors: Wilkin Chapman, PO Box 16, Town Hall Square, Grimsby. DN31 1HE

Solicitors: Eversheds, Cloth Hall Court, Infirmary St., Leeds. LS1 2JB

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2002

The Directors present their report together with the audited financial statements for the trading year ended 31st July 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is the leasing of property to group companies.

BUSINESS REVIEW

The directors are satisfied with the performance of the company and with its financial position at 31st July 2002.

RESULTS AND DIVIDENDS

The loss after tax amounted to £15,332 (2001: loss £15,332). The payment of a dividend is not recommended by the directors (2001: nil) leaving the loss of £15,332 to be carried to reserves (2001: £15,332)

DONATIONS

During the year the company made charitable donations of £3,060 to Grimsby College (2001:£3,163)

DIRECTORS

The directors who served during the year were:

R. McCracken J. B. Miller D. Khan

No director had any interests in the shares of the Company. Throughout the year, none of the directors had any interests in any material contracts relating to the business of the Company.

AUDITORS

KPMG resigned as auditors on 6th June 2002. KPMG LLP were appointed by the Directors in their place to fill the casual vacancy. A resolution for the appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2002

STATEMENT OF DIRECTOR'S 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;
- * 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 taking reasonable steps for prevention and detection of fraud and other irregularities.

By order of the Board


A. Parkin
Secretary

Date:24/1/03

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GRIMSBY COLLEGE DEVELOPMENTS LIMITED

We have audited the financial statements on pages 6 to 11.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 4 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent mis-statement or material inconsistent with the financial statements.

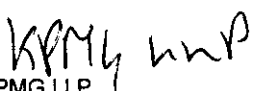
Basis of Opinion

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 31st July 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG LLP
Chartered Accountants
Registered Auditors
1 The Embankment
Neville St
LEEDS
LS1 4DW

Date: 29 January 2003

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2002

| | Note | 2002 £ | 2001 £ * as restated |
|--|------|-----------|----------------------------|
| TURNOVER | 1 | 70,000 | 70,000 |
| Cost of sales | | (28,000) | (28,000) * |
| Gross Profit | | 42,000 | 42,000 |
| Administration Expenses | | (18,707) | (18,760) * |
| OPERATING PROFIT | 2 | 23,293 | 23,240 |
| Interest payable | 4 | (38,625) | (38,572) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (15,332) | (15,332) |
| Taxation | 5 | - | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | | (15,332) | (15,332) |
| Dividends | 6 | - | - |
| RETAINED LOSS FOR THE YEAR | | (15,332) | (15,332) |

The Company has no recognised gains or losses other than the loss for the year.

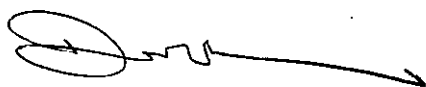
All activities relate to continuing operations.

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

BALANCE SHEET - 31st July 2002

| | Note | £ | <u>2002</u> £ | £ | <u>2001</u> £ |
|--|------|-----------|------------------|----------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 7 | | 514,921 | | 530,253 |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 500,432 | | 430,782 | |
| Cash to bank and in hand | | 118 | | 39 | |
| | | | <hr/> | <hr/> | |
| | | 500,550 | | 430,821 | |
| CREDITORS -Amounts falling due within one year. | 9 | (551,161) | | 481,432 | |
| | | | <hr/> | <hr/> | |
| NET CURRENT LIABILITIES | | (50,611) | | (50,611) | |
| | | | <hr/> | <hr/> | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 464,310 | | 479,642 |
| CREDITORS: Amounts falling due after more than one year | 10 | | 572,218 | | 572,218 |
| | | | <hr/> | <hr/> | |
| | | | (107,908) | | (92,576) |
| | | | <hr/> | <hr/> | |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 11 | | 2 | | 2 |
| Profit and Loss Account | 12 | | (107,910) | | (92,578) |
| | | | <hr/> | <hr/> | |
| EQUITY SHAREHOLDERS' FUND | 13 | | (107,908) | | (92,576) |
| | | | <hr/> | <hr/> | |

The accounts on pages 6 to 11 were approved by the Board of Directors on 28/11/02 and signed on its behalf by:-



D. Khan
Director

24/1/03

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2002

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below:-

1) Basis of Accounting

The accounts have been prepared under the historical cost convention. The Company is a small company as defined by the Companies Act 1985. Therefore, in accordance with paragraph 5(f) of FRS 1 "Cashflow Statements" a statement of cashflows has not been prepared.

1a) Recent Accounting Standards

Financial Reporting Standard 18 (FRS18) Accounting Policies has been adopted. After careful review the directors are satisfied that the current accounting policies are the most appropriate and therefore no changes in accounting policy are required.

2) Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost over their expected useful lives.

The rate used is as follows: Buildings: 40 years on a straight line basis.

3) Turnover

Income from operating leases is credited to the profit and loss account on a straight line basis over the period of the contracts.

In the opinion of the directors, turnover represents one class of business which takes place within the UK.

2 OPERATING PROFIT

| | 2002 £ | 2001 £ |
|---|-----------|-----------|
| Operating Profit is stated after charging | | |
| Depreciation - Owned Assets | 15,332 | 15,333 |
| Auditors' Remuneration | - | - |
| Operating lease expenditure | 28,000 | 28,000 |
| And after crediting: | | |
| Operating lease rentals | 70,000 | 70,000 |

3 DIRECTORS AND EMPLOYEES

The Company had no employees during the year (2001- nil). The directors received no emoluments in respect of their duties as directors of the Company (2001 - nil).

4 INTEREST PAYABLE

| | 2002 £ | 2001 £ |
|-------------------------------|---------------|---------------|
| Intercompany interest payable | 38,625 | 38,572 |
| Interest Receivable | - | - |
| Short term bank deposits | - | - |
| | <u>38,625</u> | <u>38,572</u> |

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2002: continued

5 DEFERRED TAXATION

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but reversed at the balance sheet. No tax is payable (2001: Nil).

6 DIVIDENDS

The Company paid no dividends in the year (2001: nil).

7 TANGIBLE FIXED ASSETS

Leasehold
Land & Buildings
£

Cost

At 1st August 2001 and 31st July 2002 613,305

Depreciation

At 1st August 2001 83,052

Charge for the year 15,332

At 31st July 2002 98,384

Net book Value

At 31st July 2002 514,921

At 31st July 2001 530,253

All of the above assets (net value £530,253) are used for hire under operating leases.

8 DEBTORS

2002
£

2001
£

Amounts owed by fellow subsidiaries

496,323

426,673

Prepayments

4,109

4,109

500,432

430,782

GRIMSBY COLLEGE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31ST JULY 2002 - continued

| | 2002 £ | 2001 £ |
|--|-----------|-----------|
| 9 CREDITORS - Amounts falling due within one year | | |
| Amounts owed to parent undertaking | 537,826 | 468,141 |
| Other Creditors | 3,063 | 3,019 |
| Accruals | 10,272 | 10,272 |
| | <hr/> | <hr/> |
| | 551,161 | 481,432 |
| | <hr/> | <hr/> |

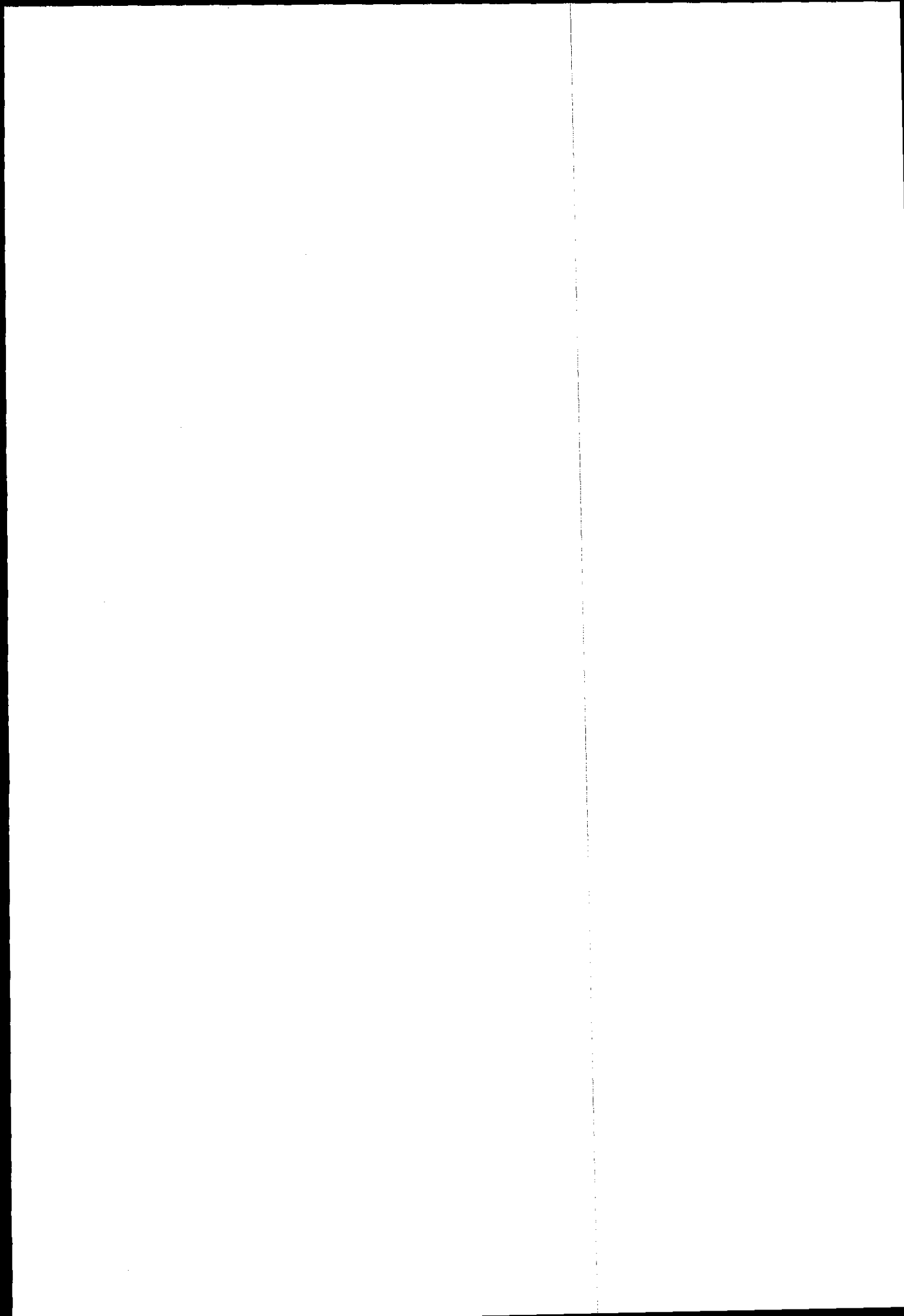
| | | |
|---|---------|---------|
| 10 CREDITORS - Amounts falling due after more than one year: | | |
| Loan from parent undertaking: | 572,218 | 572,218 |
| | <hr/> | <hr/> |

The loan is not repayable until 2010. Interest is charged at 6.75% per annum.

| | | | | |
|-------------------------------|-------------------------|-----|---------------------------------------|------|
| 11 | CALLED UP SHARE CAPITAL | | | |
| | 2002 | | and | 2001 |
| | <hr/> | | | |
| | Authorised | | Allotted, Called up and fully paid | |
| | Number | £ | Number | £ |
| Ordinary shares of £1 each | 100 | 100 | 2 | 2 |

| | |
|-----------------------------------|-----------|
| 12 PROFIT AND LOSS ACCOUNT | £ |
| 1st August 2001 | (92,578) |
| Retained loss for the year | (15,332) |
| | <hr/> |
| 31st July 2002 | (107,910) |
| | <hr/> |

| | | |
|---|-----------|-----------|
| 13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS | 2002 £ | 2001 £ |
| Loss for the year | (15,332) | (15,332) |
| Opening shareholders' funds | (92,576) | (77,244) |
| | <hr/> | <hr/> |
| Closing shareholders' fund | (107,908) | (92,576) |
| | <hr/> | <hr/> |



GRIMSBY COLLEGE DEVELOPMENTS LIMITED**NOTES TO THE ACCOUNTS - 31ST JULY 2002 - continued****14 FINANCIAL COMMITMENTS**

At 31st July, the Company had annual commitments under cancellable operating leases as follows:

| | 2002 | | 2001 | |
|--|----------------------------|------------|----------------------------|------------|
| | Land and Buildings £ | Other £ | Land and Buildings £ | Other £ |
| Expiring within one year | - | - | - | - |
| Expiring between two and five years' inclusive | - | - | - | - |
| Expiring in over five years | 28,000 | - | 28,000 | - |
| | <hr/> | | <hr/> | |
| | 28,000 | - | 28,000 | - |
| | <hr/> | | <hr/> | |

15 RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Grimsby College. Pursuant to paragraph 17 of FRS 8 "Related Party Transactions" the Company has not disclosed details of transactions with the College or any other of the College's subsidiary undertakings. There are no other related party transactions requiring disclosure in these accounts.

16 PARENT UNDERTAKING

The Company's ultimate parent undertaking is Grimsby College. The parent undertaking has indicated its intention to provide continuing financial support to the Company.

