

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2000**

Company No 03617931



BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

**DIRECTORS' REPORT and FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2000**

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BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

**DIRECTORS' REPORT and FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2000**

DIRECTORS

B J Vaughan OBE
J O Pounder
G Drewitt

SECRETARY

D W Whitehead

REGISTERED OFFICE

Bournemouth and Poole College
North Road
Poole
BH14 0LS

BANKERS

HSBC Bank plc
242 High Street North
Poole
Dorset
BH15 1DZ

AUDITORS

PricewaterhouseCoopers
The Quay
30 Channel Way
Ocean Village
Southampton
SO14 3QG

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2000

The directors present their report and the financial statements for the year ended 31 July 2000.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each accounting period 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OWNERSHIP

The company is wholly owned by the Bournemouth and Poole College, a further education corporation governed by the laws of England.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company was incorporated on 19 August 1998, and commenced construction of a building known as the Study Gallery on land leased from the College in March 1999. The building was substantially complete as at 31 July 2000.

The results are set out on page 6.

FUTURE DEVELOPMENTS

The directors have entered into a contract to lease the building when complete to The Study Gallery, Poole, a charitable trust created to manage the facility for the benefit of the community.

DIVIDENDS

The directors do not recommend the payment of a dividend.

EMPLOYEES

The company had no employees at any time during the year.

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2000

DIRECTORS

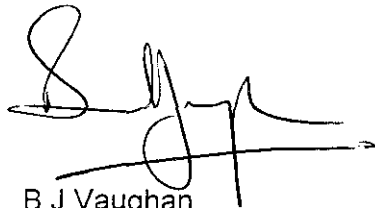
The directors who served throughout the year and their beneficial interests in the issued ordinary share capital were as follows:

B J Vaughan	NIL
J O Pounder	NIL
G Drewitt	NIL

AUDITORS

The auditors, PricewaterhouseCoopers will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board and signed on its behalf on 8 December 2000.



B J Vaughan
Chair

AUDITORS' REPORT TO THE MEMBERS OF BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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.

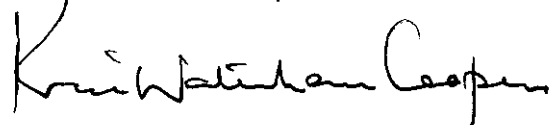
BASIS OF AUDIT OPINION

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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
The Quay
30 Channel Way
Ocean Village
Southampton
11 December 2000

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2000**

	Notes	2000 £	1999 £
Turnover	1	49,558	10,905
Cost of sales		(53,757)	(16,331)
		<hr/>	<hr/>
Gross (loss)		(4,199)	(5,426)
Administration expenses		(658)	(500)
		<hr/>	<hr/>
Operating loss	2	(4,857)	(5,926)
Tax on profit on ordinary activities	4	0	0
		<hr/>	<hr/>
Loss on ordinary activities after taxation	10	(4,857)	(5,926)
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than the loss for the year.

The notes on pages 8 to 11 form part of these financial statements.

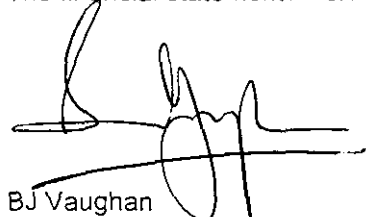
BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

BALANCE SHEET AS AT 31 JULY 2000

	Notes	£	£	1999 £
Fixed assets				
Tangible assets	5	1,877,964		223,494
				<hr/>
Current assets				
Debtors	6	449,792		131,432
Cash at bank		40,631		37,854
		<hr/>		<hr/>
		490,423		169,286
Creditors; amounts falling due within one year	7	491,631		59,749
		<hr/>		<hr/>
Net current (liabilities)/assets			(1,208)	109,537
			<hr/>	<hr/>
NET ASSETS			1,876,756	333,031
			<hr/> <hr/>	<hr/> <hr/>
Deferred capital grants	8	1,887,537		338,955
			<hr/>	<hr/>
Capital and reserves				
Called-up share capital	9		2	2
Accumulated (deficit)	10		(10,783)	(5,926)
			<hr/>	<hr/>
			(10,781)	(5,924)
			<hr/>	<hr/>
TOTAL			1,876,756	333,031
			<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 11 form part of these financial statements.

The financial statements were approved by the board and signed on its behalf on 8 December 2000.


BJ Vaughan
Chair

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

Grants Receivable

Grants receivable are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

To the extent that grants are financing the Study Gallery construction costs they are treated in the balance sheet as deferred income to be released to the profit and loss account over the expected useful economic life of the building.

Turnover

Turnover, which is stated net of Value Added Tax, represents revenue grants receivable and amounts invoiced in connection with the Study Gallery lease.

Leasehold Buildings

Leasehold buildings are included in the balance sheet at cost and amortised over the period of the lease.

Equipment

Equipment having an expected useful economic life of more than one year is capitalised at cost and depreciated on the straight line basis as follows:-

Computer equipment	33 1/3% per year
Vehicles and general equipment	20% per year

Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that it is a small company as defined in S 246 to S 249 of the Companies Act 1985.

2. OPERATING LOSS

The operating loss is stated after charging:

	2000 £	1999 £
Auditors' remuneration	<u>500</u>	<u>500</u>

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

3. DIRECTORS' EMOLUMENTS

No emoluments were paid or are payable to or in respect of any director during the year.

4. TAXATION

No liability to Corporation Tax is expected to crystallise in respect of the results for this accounting period.

5. TANGIBLE FIXED ASSETS

	Leasehold Buildings	Equipment	TOTAL
	£	£	£
Cost			
At 1 August 1999	223494	-	223494
Additions	1583197	71273	1654470
At 31 July 2000	1806691	71273	1877964

No depreciation has been charged as the assets had not yet been brought into use. The Certificate of Practical Completion of the building was issued on 15 August 2000.

6. DEBTORS

Amounts Falling Due Within One Year:

	2000 £	1999 £
Trade debtors	1175	1175
Grants receivable	114048	89556
Value added tax recoverable	334569	40701
	449792	131432

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

7. CREDITORS

Amounts Falling Due Within One Year:

	2000 £	1999 £
Trade creditors	104219	56124
Accruals	11125	3625
Loan from College	376287	-
	<hr/>	<hr/>
	491631	59749
	<hr/>	<hr/>

8. DEFERRED CAPITAL GRANTS

The balance at 31 July 2000 represents grant income expended on construction and commissioning of the Study Gallery. The grant will be released to profit and loss account over the useful economic life of the assets in proportion to the corresponding annual depreciation charge.

Grant income totalling £1,794,125 has been received from the Arts Council of England. This is subject to a legal charge over the leasehold property covering repayment of the grant should the property cease to be used for the intended purpose during the period of ten years from 24 November 1999.

9. CALLED-UP SHARE CAPITAL

Authorised:

100 ordinary shares of £1 each £100

Allotted, issued and fully paid:

2 ordinary shares of £1 each £2

10. MOVEMENT ON ACCUMULATED DEFICIT

	2000 £	1999 £
At 1 August 1999	(5926)	-
(Loss) on ordinary activities	(4857)	(5926)
	<hr/>	<hr/>
At 31 July 2000	(10783)	(5926)
	<hr/>	<hr/>

BOURNEMOUTH AND POOLE COLLEGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

11. PARENT UNDERTAKING

The issued share capital of the company is wholly owned by the Bournemouth and Poole College, a further education corporation and exempt charity, whose accounts may be viewed at its administrative headquarters at North Road.

12. RELATED PARTY TRANSACTIONS

The company has had material transactions with its parent undertaking. These transactions are eliminated in the Consolidated Financial Statements of Bournemouth and Poole College which are publicly available. Accordingly the company has availed itself of the dispensation in Financial Reporting Standard 8 not to disclose such items in these financial statements.

13. CAPITAL COMMITMENTS

The balance due under the construction contract is £51,000 in respect of retentions.

14. CONTINGENT LIABILITIES

In the opinion of the directors, the company had no material contingent liabilities at 31 July 2000.