

Education Lecturing Services

(A company limited by guarantee and not having a share capital)
(Registered Number: 3009979)

Directors' Report and Accounts

Year ended 30 June 2001



Directors' Report
For the Period Ended 30 June 2001

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The directors submit their report and the audited accounts of the company for the year ended 30 June 2001.

Principal activity

The principal activity of the company is the supply of specialist lecturing services to colleges of further education.

Business review

The directors are satisfied with the company's performance and future prospects are considered to be good, with steady growth expected.

The directors do not recommend the payment of a dividend (2000: £Nil).

Directors

The directors of the company who held office during the year are:

G Lennox
R Fielding

No director had any beneficial interest in the membership of the company at 30 June 2001.

The interests of the directors in the shares of Protocol Associates NV at 30 June 2001, the company's parent company, are disclosed in the accounts of Protocol Associates NV.

Directors' Reportcont'd
For the Period Ended 30 June 2001

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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 year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

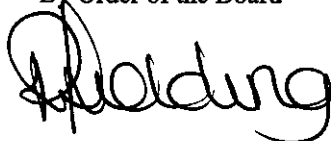
The directors confirm that suitable accounting policies have been used and applied consistently, that reasonable and prudent judgements have been made in preparing the financial statements for the year ended 30 June 2001 and that applicable accounting standards have been followed. They also confirm that it is appropriate to prepare the financial statements on a going concern basis.

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.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



R Fielding

Director

15 April 2002

Independent Auditors' Report to the Members of Education Lecturing Services Page 3

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

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.

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.

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 other information comprises only 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 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Nottingham
15 April 2002

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6RH. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Profit and Loss Accounts
For the Year Ended 30 June 2001

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	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
<i>Turnover (Note 2)</i>	58,410	55,074
<i>Cost of sales</i>	(51,387)	(48,525)
<i>Gross profit</i>	7,023	6,549
<i>Administrative expenses</i>	(6,978)	(6,509)
<i>Operating profit (Note 4)</i>	45	40
<i>Interest payable and similar charges (Note 5)</i>	(5)	(15)
<i>Interest receivable and similar income (Note 6)</i>	11	-
<i>Profit on ordinary activities before taxation</i>	51	25
<i>Taxation (Note 7)</i>	22	(8)
<i>Retained profit (Note 15)</i>	73	17

There are no recognised gains or losses other than the profit for the year shown above and all operations are continuing operations.

The notes on pages 6 to 10 form part of these accounts.

	2001 £'000	2000 £'000
Current assets		
Debtors (Note 9)	35,691	12,030
Cash at bank and in hand	71	297
	35,762	12,327
Creditors - Amounts falling due within one year (Note 10)	(34,632)	(11,270)
Net current assets and total assets less current liabilities	1,130	1,057
Creditors - Amounts falling due after more than one year (Note 11)	(1,065)	(1,065)
	65	(8)
Capital and reserves		
Profit and loss account (Note 15)	65	(8)
Equity shareholders' funds	65	(8)

Approved By The Board

15 April 2002


G Lennox
Director

The notes on pages 6 to 10 form part of these accounts.

1 *Accounting Policies*

The following accounting policies have been applied in dealing with items which are considered material in relation to the accounts.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards all of which have been applied consistently throughout the year and the preceding year, with the exception of accounting standards adopted in the current year. Where a choice of treatment is available the directors apply the most appropriate accounting policy and estimation technique in accordance with Financial Reporting Standard Number 18 (FRS 18).

Cash flow statement

The company has taken advantage of the exemption from the requirement to produce a cash flow statement in accordance with FRS 1, as it is a member of a group whose parent company, Protocol Associates NV, prepared consolidated accounts which include a cash flow statement and are publicly available.

Pensions

Pension contributions which are to schemes that have characteristics of a defined contribution scheme are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation arising from timing differences between profits or losses reflected in the accounts and profits or losses calculated for tax purposes is recognised in those cases where the difference is expected to reverse in the foreseeable future.

Operating leases

Rentals under operating leases are charged against income as incurred. The obligation to pay future rentals on operating leases is shown by way of a note to the accounts.

2 *Turnover*

Turnover represents the amounts chargeable to UK customers in respect of the year arising from the company's principal activity.

3 Staff Numbers and Costs

The average number of persons employed by the company during the year was 72 (2000: 69).

The payroll costs of these persons were as follows:

	2001 £'000	2000 £'000
Wages and salaries	1,459	1,421
Social security costs	126	125
Other pension costs (see Note 14)	62	61
	1,647	1,607

4 Operating profit

Operating profit is stated after charging:

	2001 £'000	2000 £'000
Auditors' remuneration	10	10
Training	17	8
Operating lease rentals payable - plant and machinery	92	120

Auditors' remuneration for non-audit services amounted to £3,000 (2000: £3,000).

5 Interest Payable and Similar Charges

	2001 £'000	2000 £'000
Bank charges	5	15

6 Interest Receivable and Similar Income

	2001 £'000	2000 £'000
Bank interest receivable	11	-

7 Taxation

	2001 £'000	2000 £'000
Corporation tax at 30% (2000: 30%)	16	8
Over provision in respect of prior years	(38)	-
	(22)	8

There is no actual or potential deferred tax liability (2000: £Nil).

The corporation tax creditor has been adjusted by the group relief of losses surrendered by Protocol Associates Limited for which payment of £16,000 is owed.

8 Directors' Emoluments

	2001 £'000	2000 £'000
Directors' aggregate emoluments	-	140
Company contributions paid to money purchase schemes	-	8
Compensation for loss of office	-	10

9 Debtors

	2001 £'000	2000 £'000
Trade debtors	6,182	5,864
Amounts owed by group undertakings	29,395	6,066
Other debtors	114	100
	35,691	12,030

10 Creditors - Amounts falling due within one year

	2001 £'000	2000 £'000
Trade creditors	4,702	4,524
Amounts owed to group undertakings	28,432	5,202
Corporation tax	-	67
Other taxes and social security	1,252	1,265
Accruals and deferred income	246	212
	34,632	11,270

11 Creditors - Amounts falling due after more than one year

	<i>2001</i> <i>£'000</i>	<i>2000</i> <i>£'000</i>
Amounts owed to group undertakings	1,065	1,065

12 Contingent Liabilities

The company as part of an interest set-off arrangement, has guaranteed the overdraft facilities of a number of fellow group undertakings. The maximum liability under the guarantee is limited to the credit balances in those accounts which are part of the interest set-off arrangement together with the proceeds of any items in the course of collection for the credit of such bank accounts. At 30 June 2001 the potential liability was £344,000.

The group indebtedness is secured on the undertakings of the group and on the property by way of a legal charge and certificate of registration of charge over Arboretum Gate and the lease of Castle Quay properties respectively.

13 Related Party Transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard 8 for wholly owned subsidiaries not to disclose related party transactions with members of the same group

Amounts due from and due to related parties are set out in notes 9, 10 and 11 to the accounts.

14 Pensions

A defined contribution scheme is in operation with Scottish Equitable where the company contributes a fixed contribution to individual employee's schemes, but has no further liability to provide retirement benefits once the employee is no longer employed by the company. The contributions for the year amounted to £62,000 (2000: £61,000).

15 Profit and Loss Account

	<i>2001</i> <i>£'000</i>
At 1 July 2000	(8)
Profit for the year	73
At 30 June 2001	65

16 Operating Lease Commitments

At 30 June 2001 the company had annual commitments payable under non-cancellable operating leases as follows:

	2001 £'000	2000 £'000
Leases which expire:		
Within one year	29	10
Between one and five years	45	53
	74	63

17 Ultimate Parent Company

The sole member and guarantor of Education Lecturing Services is Protocol National Limited.

The company that is required to prepare group accounts is Protocol Associates NV, which is incorporated and registered in Belgium. A copy of the group accounts can be obtained from the Company Secretary, Arboretum Gate, 88-90 North Sherwood Street, Nottingham, NG1 4EE. The ultimate parent company and controlling party is Bridgepoint Capital Group Limited. Copies of the financial statements of Bridgepoint Capital Group Limited are available at their registered office at 101 Finsbury Pavement, London, EC2A 1EJ.