

20 MAR 2009

Company Registered No: 3325154

Charities Registered No: 1062083

EXPENS EDUCATION TRUST COMPANY

(A company limited by guarantee)

Annual Report

for the year ended 31 July 2008

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EXPENS EDUCATION TRUST COMPANY

Annual report for the year ended 31 July 2008

	Pages
Trustees and advisers	1
Trustees' report	2-4
Independent auditors' report	5-6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9-13

EXPENS EDUCATION TRUST COMPANY

Trustees and advisers

Trustees

D C Shepley-Cuthbert
M J Leech
S Dicketts

Solicitors

Morgan Cole
Buxton Court
3 West Way
Oxford
OX2 0SZ

All trustees have served throughout the period.

Secretary and registered office

S McCormick

City Centre Campus
Expens Road
Oxford
OX1 1SA

Bankers

Barclays Bank plc
Oxford Corporate Banking Centre
11 West Way
Oxford
OX2 0XP

Auditors

KPMG LLP
2 Cornwall Street
Birmingham
B3 2BL
United Kingdom

EXPENS EDUCATION TRUST COMPANY

Trustees' report for the year ended 31 July 2008

The trustees present their report and the audited financial statements for the year ended 31 July 2008.

Constitution

Oxpens Education Trust Company was established on 27 February 1997. The company is limited by guarantee and is governed by its Memorandum and Articles of Association.

The Council of Management, which comprises the trustees, meets regularly and approves all material decisions.

The governing instrument gives the trustees the power to invest the monies of the company not immediately required for its objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law.

The company has been approved by and registered as a charity with the Charity Commissioners (number 1062083)

Objectives

The objective of the charity is the enhancement of education by the provision of assistance and benefit to Oxford & Cherwell Valley College.

Principal activities and review of the year

The Statement of Financial Activities (Income and Expenditure account) for the year is set out on page 7.

In furtherance of its objective, the company currently provides property services and leasing facilities to Oxford & Cherwell Valley College on an arms length basis.

The net movement in income and expenditure for the year was an inflow of £1,377 (2007 inflow £2,729).

EXPENS EDUCATION TRUST COMPANY

Reserves policy

It is the policy of the company to seek to generate a small surplus of income over expenditure for the first few years to safeguard the future of the charity.

The remainder of the net income will be distributed according to the objects of the charity.

The trustees periodically review the level of reserves to ensure that reserves are at a suitable level for the continuation of the work of the charity.

Performance of Expens Education Trust Company

The trustees consider both the level of activity and the year end position to be satisfactory, after taking into account future surpluses which will arise on existing leases.

Trustees

The trustees, all of whom are directors of the company and served throughout the period were:

D C Shepley-Cuthbert

M J Leech

S Dicketts

Trustees' interests in the company

The company, not having any share capital, is limited by guarantee. The trustees are the only members of the company. Each member of the company undertakes to contribute £1 to the assets of the company in the event of the company being wound up.

EXPENS EDUCATION TRUST COMPANY

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 group and the charity will continue in its activities.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and to prevent and detect fraud and other irregularities.

Insurance of trustees

Insurance is maintained for the trustees in respect of their duties.

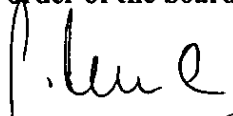
Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' 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 Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to appoint KPMG LLP as auditors will be proposed at the annual general meeting.

By order of the board



Trustee

EXPENS EDUCATION TRUST COMPANY

Independent Auditors' Report to the members of Oxpens

We have audited the financial statements of Oxpens Educational Trust (the charity) for the period ended 31 July 2008 which comprise the Statement of Financial Activities, 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 charity'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 charity'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 charity and its 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 responsibilities of the charity's trustees, who are also the directors of the charity for the purposes of company law, for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities on page 4.

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 Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity 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 trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

EXPENS EDUCATION TRUST COMPANY

Independent Auditors' Report to the members of

Oxpens Education Trust Company (continued)

Basis of audit opinion

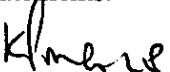
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charity's affairs as at 31 July 2008 and of its incoming resources and application of resources,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.


KPMG LLP
Chartered Accountants
Registered Auditors

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

03 February 2009

EXPENS EDUCATION TRUST COMPANY

Statement of Financial Activities

for the year ended 31 July 2008

		<i>Year ended 31 July 2008</i>	<i>Year ended 31 July 2007</i>
		<i>£</i>	<i>£</i>
	Notes		
Income and expenditure			
Incoming resources			
Rental income	4	59,833	99,500
Interest receivable		508	459
Total incoming resources		<u>60,341</u>	<u>99,959</u>
Resources expended			
Rental expense	4	(57,083)	(95,000)
Management and Administration	4	(1,881)	(2,230)
Total resources expended		<u>(58,964)</u>	<u>(97,230)</u>
Net incoming resources	8	1,377	2,729
Fund balance brought forward		<u>13,931</u>	<u>11,202</u>
Fund balance carried forward	8	<u>15,308</u>	<u>13,931</u>

The results above relate entirely to the General Fund. This fund is unrestricted.

The results for the year above have arisen entirely from continuing operations.

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

There is no difference between the net incoming resources for the years stated above, and their historical cost equivalents.

EXPENS EDUCATION TRUST COMPANY

Balance sheet as at 31 July 2008

	Notes	2008 £	2007 £
Current Assets			
Debtors: amounts falling due after one year	5	46,379	70,898
Debtors: amounts falling due within one year	5	24,576	48,633
Cash at bank and in hand		38,814	38,272
		<u>109,770</u>	<u>157,803</u>
 Creditors: amounts falling due within one year	 6	 (45,844)	 (69,634)
Net Current Assets		<u>63,925</u>	<u>88,168</u>
 Creditors: amounts falling due after more than one	 6	 (48,618)	 (74,238)
Net Assets		<u>15,308</u>	<u>13,931</u>
 Total funds	 7	 <u>15,308</u>	 <u>13,931</u>

The financial statements on pages 7 to 13 were approved by the trustees on 03 February 2009 and were signed on their behalf by:



Trustee

EXPENS EDUCATION TRUST COMPANY

Notes to the financial statements for the year ended 31 July 2008

1 Principal Accounting Policies

The financial statements have been prepared in accordance with the principal provisions of the Statement of Recommended Practice for Charities 'Accounting and Reporting by Charities' (Charity SORP 2005) and United Kingdom accounting standards. A summary of the most important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Compliance with Statement of Recommended Practice for Charities

The company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly the trustees consider that it would be inappropriate to present a profit and loss account in one of the formats set out in the Companies Act 1985.

Therefore, as permitted by the Companies Act 1985, in order to reflect the special nature of the company's activities a Statement of Financial Activities is presented, as the trustees are of the opinion this is a more appropriate presentation.

Cash Flow

The company has adopted the provisions of FRS1 (revised) 'Cash Flow Statements' in these financial statements and has taken advantage of the exemptions for small companies contained therein, and accordingly a cash flow statement has not been included in these financial statements.

Tax

The company is a registered charity and under section 505 (1) of the Income & Corporation Taxes Act 1988 is exempt from Corporation Tax on its charitable

OXPENS EDUCATION TRUST COMPANY

Resources expended

In accordance with the Charities SORP 2005, resources are recognised when payment becomes due.

Funds

The accumulated funds are unrestricted and are expendable at the discretion of the trustees and will be applied towards the promotion of the objectives of the

2 Trustees' Emoluments

No trustee received any fees or emoluments in the year. (2008: £nil)

3 Employee information

The company had no employees in the year. (2008: none)

4 Incoming resources and Resources Expended

The company provides property services and leasing facilities to Oxford & Cherwell Valley College. The company leases buildings from the College and then enters into leaseback arrangements with the College on an arms length basis.

EXPENSES EDUCATION TRUST COMPANY

4 Incoming resources and Resources Expended (cont).

Management and administration of the charity

This includes the establishment costs, accountancy fees, administrative support and associated office costs.

The company also offers an early settlement discount of between 6% and 12% per annum on all of its leases. In relation to its own operating leases the company has also taken early settlement discounts of between 6% and 12% per annum. The net discount is expensed in the Statement of Financial Activities.

	<i>Year ended 31 July 2008</i>	<i>Year ended 31 July 2007</i>
	<i>£</i>	<i>£</i>
Discount received	8,544	15,771
Discount given	(9,140)	(16,716)
Net discount	<u>(596)</u>	<u>(945)</u>
Management fees	0	0
Interest Charge	0	0
Company Registration Fees	(15)	(15)
Auditors' remuneration for:-		
Audit	(1,270)	(1,270)
Total management and administration charges	<u><u>(1,881)</u></u>	<u><u>(2,230)</u></u>

EXPENS EDUCATION TRUST COMPANY

5 Debtors

	2008	2007
	£	£
Amounts falling due within one year		
Rent prepayment (see below)	24,517	48,540
Sundry debtors	59	93
	<u>24,576</u>	<u>48,633</u>
Amounts falling due after more than one year		
Rent prepayment (see below)	46,379	70,898
Total debtors	<u>70,956</u>	<u>119,530</u>

The total rent prepayment of £46,379 (2007:£70,898) is an advance payment for rent made by the company on its operating leases. The prepayment will be released as an expense to the Statement of Financial Activities over the next 3 years based on rentals due less discounts taken.

6 Creditors

	2008	2007
	£	£
Amounts falling due within one year		
Accruals and other creditors	20,223	18,936
Deferred rental income	25,621	50,698
	<u>45,844</u>	<u>69,634</u>
Amounts falling due after more than one year		
Deferred rental income (see below)	48,618	74,238
Total creditors	<u>94,462</u>	<u>143,872</u>

The total deferred rental income of £48,618 (2007: £74,238) is an advance receipt of rent on the company's underleases. The liability will be released as income to the Statement of Financial Activities over the next 3 years based on rentals due less discount allowed.

OXPENS EDUCATION TRUST COMPANY

7 Total Funds

	2008	2007
	£	£
At 1 August	13,931	11,202
Result for the year	<u>1,377</u>	<u>2,729</u>
At 31 July	<u>15,308</u>	<u>13,931</u>

All funds are unrestricted.

8 Financial commitments

The company has entered into operating leases with Oxford & Cherwell Valley College. These amounts have all been prepaid and are included in the rent prepayment (note 5).

9 Related party transactions and ultimate controlling party

The three trustees are members of the Corporation of Oxford & Cherwell Valley College, with which the company has entered into property lease agreements (see note 4). Specifically, the following transactions and balances have arisen between the company and Oxford & Cherwell Valley College.

a) the rental income for the year of £59,833 (2007: £99,500) and rental expense of £57,083 (2007: £95,000) included in the Statement of Financial Activities represent the rents receivable from and payable to Oxford & Cherwell Valley College.

b) the rent prepayment balance (note 5) and the deferred rent balance (note 6) relate to sums paid to and received from Oxford & Cherwell Valley College. The accruals and other creditors (Note 6) relate to balances also held with Oxford & Cherwell Valley College.