

Company Registration No. 4701198 (England and Wales)



BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007

TUESDAY



LD2 *LIZBM2EF* 19/08/2008 168
COMPANIES HOUSE

GERALD EDELMAN
CHARTERED ACCOUNTANTS

25 HARLEY STREET LONDON W1G 9BR

T +44 (0)20 7299 1400 F +44 (0)20 7299 1401

E gemail@geraldedelman.com

www.geraldedelman.com

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

CONTENTS

	Page
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2007

The director presents his report and financial statements for the year ended 31 August 2007

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of a non-maintained neighbourhood nursery

Whilst the number of filled child places was increased both during the year under review and in the subsequent year the Nursery does not appear to be financially feasible after the end of the three year start up revenue grant which concluded on 31 August 2007. As such, the Governors gave notice to the Nursery staff and parents on 29 May 2007 of the start of consultation procedures as to the future of the Nursery. It has been agreed with a third party that they will fund any losses incurred by the company from 1 September 2007 to the conclusion of the process, at which point it is planned that either the activities of the company or the shares in the company will be transferred to an external nursery provider.

Subsequent to the year end, a fraudulent theft of nursery fee income was discovered. The loss has been substantiated at approximately £51,000 and, following examination of the claim by the insurers, is likely to be funded in full. No provision has been made for these proceeds in these accounts and immediate steps were undertaken to improve the financial and internal controls concerning the recording and reconciling of fee income.

Results and dividends

The results for the year are set out on page 5.

The director does not recommend payment of a dividend for the year under review.

Director

The following director has held office since 1 September 2006:

T Garnham

Auditors

In accordance with the Scheme of Government, as entered into between the Academy and the DCSF at the Academy's inception, the position of auditors of the company shall be put out to tender for the year ending 31 August 2008. A resolution proposing that the successful audit firm from this tender process be appointed as auditors will be put to the Annual General Meeting.

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

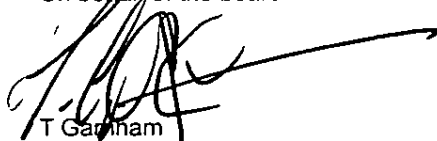
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditors

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



T Gartham
Director
19 July 2008

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

We have audited the financial statements of Bexley Business Academy Education Services Limited for the year ended 31 August 2007 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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 director's report is consistent with the financial statements.

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

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

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 judgements made by the director 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.

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1.1 of the financial statements regarding going concern. In view of the significance of this matter, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements



Gerald Edelman

19 July 2008

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2007

	Notes	2007 £	2006 £
Turnover	2	640,037	611,283
Administrative expenses		(626,108)	(601,150)
Operating profit	3	13,929	10,133
Other interest receivable and similar income	4	3,972	-
Profit on ordinary activities before taxation		17,901	10,133
Tax on profit on ordinary activities	5	-	-
Profit for the year	12	17,901	10,133

The profit and loss account has been prepared on the basis that all operations are continuing operations

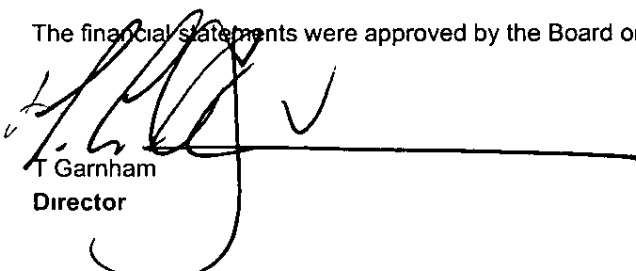
There are no recognised gains and losses other than those passing through the profit and loss account

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

BALANCE SHEET AS AT 31 AUGUST 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	6		352,764		361,568
Current assets					
Debtors	7	1,014		90,509	
Creditors amounts falling due within one year	8	<u>(49,475)</u>		<u>(158,830)</u>	
Net current liabilities			<u>(48,461)</u>		<u>(68,321)</u>
Total assets less current liabilities			304,303		293,247
Deferred income	9		<u>(321,649)</u>		<u>(328,493)</u>
			<u>(17,346)</u>		<u>(35,246)</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss account	11		<u>(17,446)</u>		<u>(35,346)</u>
Shareholders' funds			<u>(17,346)</u>		<u>(35,246)</u>

The financial statements were approved by the Board on 19 July 2008


T Garnham
Director

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company does not appear to be financially feasible beyond the period covered by the three year start-up revenue grant which concluded on 31 August 2007. The accounts are shown on the going concern basis due to the fact that any losses post 1 September 2007 will be funded by a third party until the activities of the company or the shares in the company are to be transferred to an external nursery provider.

Subsequent to the year end, a fraudulent theft of nursery fee income was discovered. The loss has been substantiated at approximately £51,000 and, following examination of the claim by the insurers, is likely to be funded in full. No provision has been made for these proceeds in these accounts and immediate steps were undertaken to improve the financial and internal controls concerning the recording and reconciling of fee income.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% on a straight line basis
Fixtures, fittings & equipment	20% on reducing balance basis

1.4 Pensions

Staff employed under a contract of service are eligible to contribute to the Local Government Pension Scheme (LGPS) which is a final salary scheme.

The scheme is a multi employer scheme and therefore it is not possible to identify the assets and liabilities attributable to the Academy. Therefore in accordance with FRS17 the scheme is accounted for as defined contribution scheme.

The Academy contributes to the LGPS at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The applicable rate to March 2006 was 9.5%, since April 2006 the applicable rate has been 9.6% and the contributions made in the year under review amounted to £9,229 (2006 £8,333).

1.5 Grants receivable

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

3	Operating profit	2007	2006
		£	£
	Operating profit is stated after (crediting)/charging		
	Amortisation of deferred grant	(6,844)	(6,844)
	Depreciation of tangible assets	9,477	10,420
	Auditors' remuneration	6,000	6,053
		<u> </u>	<u> </u>
4	Investment income	2007	2006
		£	£
	Bank interest	3,972	-
		<u> </u>	<u> </u>
		3,972	-
		<u> </u>	<u> </u>
5	Taxation	2007	2006
		£	£
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	17,901	10,133
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)	5,370	3,040
		<u> </u>	<u> </u>
	Effects of		
	Tax losses utilised	(5,370)	(3,040)
		<u> </u>	<u> </u>
		(5,370)	(3,040)
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

6 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2006	365,565	16,474	382,039
Additions	-	673	673
At 31 August 2007	365,565	17,147	382,712
Depreciation			
At 1 September 2006	14,232	6,239	20,471
Charge for the year	7,311	2,166	9,477
At 31 August 2007	21,543	8,405	29,948
Net book value			
At 31 August 2007	344,022	8,742	352,764
At 31 August 2006	351,333	10,235	361,568

The expenditure on land and buildings relates to the refurbishment of property for use as a Neighbourhood Nursery

7 Debtors

	2007 £	2006 £
Other debtors	-	88,274
Prepayments and accrued income	1,014	513
	1,014	90,509

8 Creditors' amounts falling due within one year

	2007 £	2006 £
Trade creditors	5,646	-
Amounts owed to parent undertaking	23,431	-
Taxes and social security costs	8,004	9,225
Accruals and deferred income	12,394	149,605
	49,475	158,830

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

9 Deferred income

	Grants received £
Balance at 1 September 2006	328,493
Amortisation in the year	(6,844)
Balance at 31 August 2007	<u>321,649</u>

10 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	<u>9,229</u>	<u>8,333</u>

11 Share capital

	2007 £	2006 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2006	(35,347)
Profit for the year	17,901
Balance at 31 August 2007	<u>(17,446)</u>

BEXLEY BUSINESS ACADEMY EDUCATION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

Reconciliation of movements in shareholders' funds	2007 £	2006 £
Profit for the financial year	17,901	10,133
Opening shareholders' funds	(35,246)	(45,379)
Closing shareholders' funds	(17,346)	(35,246)

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Nursery staff	33	30

Employment costs

	2007 £	2006 £
Wages and salaries	437,189	426,332
Social security costs	32,975	33,572
Other pension costs	9,229	8,333
	479,393	468,237

15 Control

The company is a wholly owned subsidiary of the charitable company Bexley Business Academy Limited. Mr T Garnham is a Trustee and Director of this company.

16 Related party transactions

Included in creditors is a balance of £23,431 (2006 debtor £88,274) due at the balance sheet date to the parent undertaking, Bexley Business Academy Limited. The terms of the loan is that it is interest free and repayable on demand.