

Farncombe Estate Adult Learning Centre Limited

Directors' report and financial statements

for the year ended 31 December 2008

Registered number: 04792569



# **Farncombe Estate Adult Learning Centre Limited**

## **Directors' report and financial statements for the year ended 31 December 2008**

	<b>Page</b>
Directors' report for the year ended 31 December 2008 .....	1
Independent auditors' report to the members of Farncombe Estate Adult Learning Centre Limited.....	3
Profit and loss account for the year ended 31 December 2008 .....	4
Reconciliation of movement in total shareholder's deficit for the year ended 31 December 2008.....	5
Balance sheet as at 31 December 2008 .....	6
Notes to the financial statements for the year ended 31 December 2008 .....	7

# **Farncombe Estate Adult Learning Centre Limited**

## **Directors' report for the year ended 31 December 2008**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

### **Principal activities**

The principal activity of the Company is the provision of adult learning courses.

### **Business review**

The results for the year are set out in the profit and loss account on page 4, and are in line with expectations.

The net liabilities of the Company are detailed on page 6.

The holding company has confirmed its continuing financial support for the Company.

### **Key performance indicators ('KPIs')**

The board monitors progress by reference to the following key performance indicators. Performance in the year, together with historical data, is set out in the table below:

	<b>2008</b>	<b>2007</b>	<b>Definition and method of calculation</b>
Growth in sales (%)	5%	34%	Year on year growth as a %.
Gross margin (%)	14%	13%	Ratio of gross profit to sales expressed as a %.

### **Future developments**

No significant change is anticipated in the activities of the Company.

### **Dividends and transfers to reserves**

No dividend has been proposed or paid in respect of the year ended 31 December 2008 (2007: Nil). Details of the loss of £219,000 (2007: £185,000) transferred to reserves is set out in the profit and loss account on page 4.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to competition from similar businesses, employee retention and uptake of learning courses.

### **Directors**

The directors of the Company during the year ended 31 December 2008 and up to the date of signing of the financial statements were:

N J Philip-Sørensen  
I E M M Bogaert

# **Farncombe Estate Adult Learning Centre Limited**

## **Directors' report for the year ended 31 December 2008 (continued)**

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

### **Statement of disclosure of information to auditors**

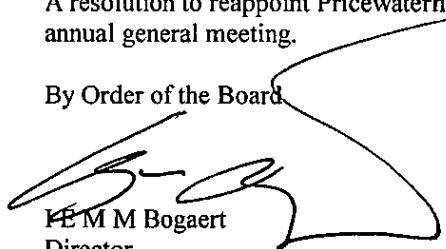
In the case of each of the directors in office at the date the directors' report is approved under section 234ZA, the following applies:

- (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.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the annual general meeting.

By Order of the Board



F. M. M. Bogaert  
Director  
21<sup>st</sup> August 2009

# Farncombe Estate Adult Learning Centre Limited

## Independent auditors' report to the members of Farncombe Estate Adult Learning Centre Limited

We have audited the financial statements of Farncombe Estate Adult Learning Centre Limited for the year ended 31 December 2008 which comprise the Profit and loss account, the Reconciliation of movement in total shareholder's deficit, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' 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 Directors' 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). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss 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 Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

7 September 2009

# Farncombe Estate Adult Learning Centre Limited

## Profit and loss account for the year ended 31 December 2008

Continuing operations		2008	2007
	Notes	£'000	£'000
Turnover	2	464	441
Cost of sales		(398)	(383)
Gross profit		66	58
Distribution costs		(40)	(29)
Administrative expenses		(245)	(214)
Loss on ordinary activities before taxation	4	(219)	(185)
Tax on loss on ordinary activities	5	-	-
Loss for the year	11	(219)	(185)

The Company has no other recognised gains or losses other than the loss shown above, therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the loss before taxation and the loss for the year as shown in the profit and loss account and their historical cost equivalents.

## **Farncombe Estate Adult Learning Centre Limited**

### **Reconciliation of movement in total shareholder's deficit for the year ended 31 December 2008**

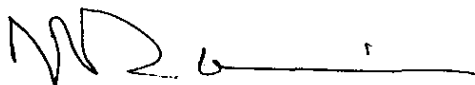
	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year	<b>(219)</b>	<b>(185)</b>
Net increase in shareholder's deficit	<b>(219)</b>	<b>(185)</b>
Opening total shareholder's deficit	<b>(796)</b>	<b>(611)</b>
<b>Closing total shareholder's deficit</b>	<b>(1,015)</b>	<b>(796)</b>

# Farncombe Estate Adult Learning Centre Limited

## Balance sheet as at 31 December 2008

	Notes	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible fixed assets	6	13	4
<b>Current assets</b>			
Debtors	7	26	21
Cash at bank and in hand		3	29
		29	50
Creditors: amounts falling due within one year	8	(1,057)	(850)
<b>Net current liabilities</b>		<b>(1,028)</b>	<b>(800)</b>
<b>Total net liabilities</b>		<b>(1,015)</b>	<b>(796)</b>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	(1,015)	(796)
<b>Total shareholder's deficit</b>		<b>(1,015)</b>	<b>(796)</b>

The financial statements on pages 4 to 12 were approved at the board meeting on the date shown below and were signed on its behalf by:



N J Philip-Sørensen  
Director

21<sup>st</sup> August 2009



# **Farncombe Estate Adult Learning Centre Limited**

## **Notes to the financial statements for the year ended 31 December 2008**

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act (1985) and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Going concern**

The directors have received confirmation of continuing financial support which covers a period of at least a year from the date of signing these financial statements from Sorven Holdings Limited, the owner of the Company's ordinary shares. Therefore the financial statements have been prepared on the basis that the Company is a going concern.

#### **Cash flow statement**

The Company qualifies as a small company under the Companies Act 1989, and has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996).

#### **Related party transactions**

The Company has taken advantage of the exemption under Financial Reporting Standard 8 "Related party disclosures" and has not reported transactions with other members of the Skagen B.V. Group.

#### **Turnover**

Turnover represents the value of work done and services rendered, excluding sales related taxes.

#### **Pensions**

The cost of providing retirement pensions and related benefits is charged against profits over the periods which benefit from the employees' services.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred tax assets are only recognised to the extent that it is considered more likely than not that they will be recoverable in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Tangible fixed assets**

Tangible fixed assets are included at cost, including the incidental cost of acquisition. Depreciation is calculated to ensure that cost, less any residual value, is written off over the useful lives of the underlying assets.

# Farncombe Estate Adult Learning Centre Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 1 Principal accounting policies (continued)

#### Tangible fixed asset depreciation

Depreciation is provided on a straight line basis using the following rates:

Furniture, fittings and equipment      10-25% per annum

#### Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange at the balance sheet date. Exchange differences arising on trading transactions are included in the profit and loss account.

#### Debtors

Provisions in respect of bad and doubtful debts are based upon the directors' view of the risk attached to each specific balance outstanding at the year-end.

### 2 Turnover

The turnover arose from a single class of business originating in the United Kingdom.

### 3 Employees

	2008	2007
	£'000	£'000
<b>Staff costs</b>		
Wages and salaries	84	88
Other pension costs	3	2
Social security costs	8	8
	95	98

	2008	2007
	Number	Number
<b>Monthly average number of employees (including directors)</b>		
Indirect and administration	6	6
	6	6

The directors received £nil remuneration for their services to the Company during the year (2007: £nil).

# Farncombe Estate Adult Learning Centre Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 4 Loss on ordinary activities before taxation

	2008	2007
	£'000	£'000
<b>Loss on ordinary activities before taxation is stated after charging</b>		
Management charges from parent undertaking	88	75
Depreciation of tangible fixed assets	4	2
Auditors' remuneration for audit services	1	1
Auditors' remuneration for taxation services	1	1

### 5 Tax on loss on ordinary activities

	2008	2007
	£'000	£'000
Current taxation	-	-
Deferred taxation	-	-
<b>Total tax charge</b>	-	-

During the year, as a result of the change in UK Corporation Tax rates which were effective from 1 April 2008, the tax rate changed from 30% to 28%.

The difference between the current taxation charge for the year and the profit before taxation at the normal rate of corporation tax of 28.5% (2007: 30%) is analysed as follows:

	2008	2007
	£'000	£'000
Loss on ordinary activities before taxation	(219)	(185)
Loss on ordinary activities at the UK tax rate 28.5% (2007: 30%)	(62)	(56)
Effects of:		
Accelerated capital allowances and tax losses	62	56
<b>Total current tax</b>	-	-

# **Farncombe Estate Adult Learning Centre Limited**

## **Notes to the financial statements for the year ended 31 December 2008 (continued)**

### **6 Tangible fixed assets**

	<b>Office equipment</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2008	12
Additions	13
<b>At 31 December 2008</b>	<b>25</b>
<b>Depreciation</b>	
At 1 January 2008	8
Charge for the year	4
<b>At 31 December 2008</b>	<b>12</b>
<b>Net book amount</b>	
<b>At 31 December 2008</b>	<b>13</b>
At 31 December 2007	4

# Farncombe Estate Adult Learning Centre Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 7 Debtors

	2008	2007
	£'000	£'000
<b>Amounts falling due within one year</b>		
Amounts due from group undertakings	-	2
Prepayments and accrued income	26	19
	<b>26</b>	<b>21</b>

### 8 Creditors: amounts falling due in less than one year

	2008	2007
	£'000	£'000
Trade creditors	19	23
Amounts owed to group undertakings	934	718
Accruals and deferred income	104	109
	<b>1,057</b>	<b>850</b>

### 9 Deferred taxation

The potential deferred taxation asset calculated at 28% (2007: 28%) comprises:

	2008	2007
	£'000	£'000
Accelerated capital allowances	(2)	(2)
Trading losses	(230)	(169)
	<b>(232)</b>	<b>(171)</b>

No deferred taxation asset has been included in these financial statements, as in the opinion of the directors there is uncertainty surrounding the timing of future capital expenditure and generation of future taxable profits.

# Farncombe Estate Adult Learning Centre Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 10 Called up share capital

	2008	2007
	£	£
<b>Authorised, allotted, used and fully paid</b>		
100 Ordinary shares of £1 each issued on incorporation	100	100

### 11 Profit and loss account

	£'000
At 1 January 2008	(796)
Loss for the year	(219)
<b>At 31 December 2008</b>	<b>(1,015)</b>

### 12 Pension arrangements

Pension arrangements are now provided through a stakeholder scheme, with benefits to pensioners based upon contributions made. The total pension cost for the year was £3,000 (2007: £2,000). As at 31 December 2008, there were £nil pension contributions unpaid (2007: £nil).

### 13 Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Sorven Holdings Limited, a company registered in Great Britain.

The accounts of Skagen B.V. which is the smallest group into which these financial statements are consolidated are available from Skagen B.V., Corkstraat 46, 3047 AC Rotterdam, P O Box 37002, 3005 LA Rotterdam.

The ultimate parent company of Sorven Holdings Limited is Ecover N.V. which is incorporated in the Netherlands Antilles. The shares of Ecover N.V. are held by The Skagen 2004 Trust of which the principal beneficiaries are N. J. Philip-Sørensen and family.