

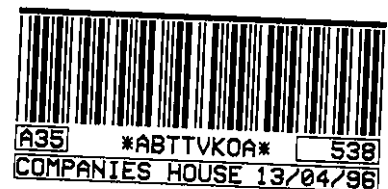
2336587

**THE LEIGH CITY TECHNOLOGY COLLEGE**  
(A Company Limited by Guarantee)

**ANNUAL REPORT**

**YEAR ENDED 31 AUGUST 1995**

PANNELL KERR FORSTER  
Chartered Accountants



**THE LEIGH CITY TECHNOLOGY COLLEGE**  
**(Company Number 2336587)**  
**ANNUAL REPORT**  
**YEAR ENDED 31 AUGUST 1995**

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**THE LEIGH CITY TECHNOLOGY COLLEGE**  
**(A Company Limited by Guarantee)**  
**COMPANY INFORMATION**

**DIRECTORS**

Sir Geoffrey Leigh (Chairman)  
Mr David Bramson (resigned 3 May 1995)  
Mr Robert Dunn MP  
Mr Thomas Mahon  
Mr Jeremy Newman  
Sir Cyril Taylor

**SECRETARY**

Mr Brian Packwood

**REGISTERED OFFICE**

Green Street Green Road  
Dartford  
Kent DA1 1QE

**BANKERS**

Trustee Savings Bank  
4-5 Market Place  
Bexleyheath  
Kent DA6 7DU

**SOLICITORS**

Nabarro Nathanson  
50 Stratton Street  
London W1X

**AUDITORS**

Pannell Kerr Forster  
Chartered Accountants  
New Garden House  
78 Hatton Garden  
London EC1N 8JA

**COMPANY REGISTRATION NUMBER**

2336587

**CHARITY NUMBER**

800972

# **THE LEIGH CITY TECHNOLOGY COLLEGE DIRECTORS' REPORT**

The directors present their annual report together with the accounts for the year ended 31 August 1995.

## **PRINCIPAL ACTIVITY AND OBJECTIVES**

The company, which is a registered charity, has been established to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on and developing one or more secondary schools or colleges offering a broad curriculum with a strong emphasis on science, technology and their practical applications.

## **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The company developed a City Technology College at Green Street Green Road, Dartford. The College opened in September 1991 and in the academic year 1994/95 had a total of 1,219 students.

The College has a wholly owned subsidiary, The Leigh CTC Enterprise Company Limited. The subsidiary's principal activity is the letting of leisure and social facilities to the public.

## **RESULTS**

The income and expenditure account shows a deficit on the General Purpose fund of £36,555 and an overall surplus of £22,797 arising from other income. The overall surplus carried forward at 31 August 1995 is £96,364.

The company's financial position at 31 August 1995 is shown in the attached balance sheet.

## **FIXED ASSETS**

Details of movements in fixed assets are shown in note 7 to the accounts.

## **DIRECTORS**

A list of persons who served as directors of the company during the year is shown on page 1.

## **LEGAL STATUS OF THE COLLEGE**

The College is a company limited by guarantee and a registered charity.

THE LEIGH CITY TECHNOLOGY COLLEGE  
DIRECTORS' REPORT

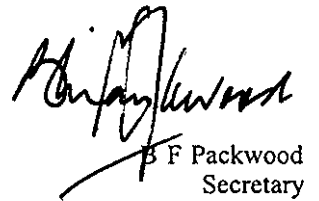
**TAXATION STATUS OF THE COMPANY**

The College is a registered charity and therefore exempt from UK taxation.

**AUDITORS**

A resolution to reappoint Pannell Kerr Forster will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

  
B F Packwood  
Secretary

4 April 1996

**THE LEIGH CITY TECHNOLOGY COLLEGE  
STATEMENT OF 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 at the end of the financial period and of the income and expenditure 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;
- 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.

**AUDITORS' REPORT TO THE MEMBERS OF  
THE LEIGH CITY TECHNOLOGY COLLEGE**

We have audited the financial statements on pages 6 to 14 which have been prepared under the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Additionally, we must make a statement as to whether in our opinion the company is entitled to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. 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.

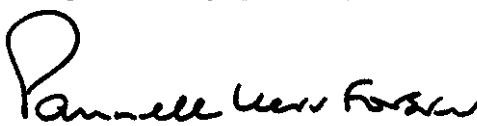
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the company as at 31 August 1995 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 31 August 1995 to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

London  
9 April .....1996

  
PANNELL KERR FORSTER  
Chartered Accountants  
Registered Auditors

**THE LEIGH CITY TECHNOLOGY COLLEGE  
INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 AUGUST 1995**

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
<b>INCOME</b>			
Annual per capita grant	2	3,651,267	3,611,388
Earmarked annual grant		73,342	62,056
Other income	3	199,263	157,167
Amortisation		483,819	438,370
		<hr/>	<hr/>
		4,407,691	4,268,981
		<hr/>	<hr/>
<b>EXPENDITURE</b>			
Annual per capita grant related expenditure		3,827,733	3,743,052
Earmarked annual grant related expenditure		73,342	62,056
Depreciation		483,894	438,370
		<hr/>	<hr/>
	4	4,384,894	4,243,478
		<hr/>	<hr/>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<hr/> 22,797 <hr/>	<hr/> 25,503 <hr/>
Net transfer from/(to) funds:			
General purpose fund (Grant income)	15	(36,555)	(131,664)
Other fund (Non-grant income)	15	59,352	157,167
		<hr/>	<hr/>
<b>SURPLUS FOR THE YEAR</b>		<hr/> 22,797 <hr/>	<hr/> 25,503 <hr/>

All amounts relate to continuing operations.

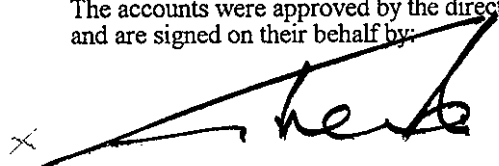
The company has no recognised gains or losses other than the excess of income over expenditure for the year.



**THE LEIGH CITY TECHNOLOGY COLLEGE  
BALANCE SHEET  
31 AUGUST 1995**

	<u>Notes</u>	£	<u>1995</u> £	£	<u>1994</u> £
<b>FIXED ASSETS</b>					
Tangible assets	7		8,158,270		8,161,792
Investment	8		100,002		100,002
			<u>8,258,272</u>		<u>8,261,794</u>
<b>CURRENT ASSETS</b>					
Debtors	9	92,306		143,932	
Prepayments	10	33,972		25,391	
Cash balances		450,293		774,930	
		<u>567,571</u>		<u>944,253</u>	
<b>CREDITORS</b>					
Amounts falling due within one year					
Creditors	11	112,602		448,410	
Accruals	12	96,441		212,729	
		<u>209,043</u>		<u>661,139</u>	
<b>NET CURRENT ASSETS</b>			<u>367,528</u>		<u>283,114</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,625,800</u>		<u>8,544,908</u>
<b>LONG TERM LIABILITIES</b>					
Provisions for liabilities and charges	13		(387,000)		(487,000)
			<u>8,238,800</u>		<u>8,057,908</u>
<b>DEFERRED INCOME</b>	14		<u>8,142,436</u>		<u>7,984,341</u>
<b>FUNDS</b>					
General purpose fund (Grant income)	15		(472,155)		(435,600)
Other fund (Non grant income)	15		568,519		509,167
			<u>96,364</u>		<u>73,567</u>
			<u>8,238,800</u>		<u>8,057,908</u>

The accounts were approved by the directors on 28 March 1996  
and are signed on their behalf by:

 x Director

 Director

**THE LEIGH CITY TECHNOLOGY COLLEGE  
CASH FLOW STATEMENT  
YEAR ENDED 31 AUGUST 1995**

	£	<u>1995</u>	£	£	<u>1994</u>	£
<b>OPERATING ACTIVITIES</b>						
<b>RECEIPTS</b>						
Recurrent grants received from DFEE:						
Annual per capita grant	3,638,092			3,611,388		
Earmarked annual grant	73,342			62,056		
Other income and receipts	207,769			137,774		
	<hr/>			<hr/>		
Total income		3,919,203			3,811,218	
<b>PAYMENTS</b>						
Staff costs	2,934,240			2,681,220		
Maintenance of premises	200,590			112,556		
Educational supplies and services	227,142			194,383		
Other occupancy costs	267,867			270,281		
Other operating expenses	348,389			286,230		
	<hr/>			<hr/>		
Total payments		(3,978,228)			(3,544,670)	
		<hr/>			<hr/>	
Net cashflow from operating activities		(59,025)			266,548	
<b>CAPITAL ACTIVITIES</b>						
Capital grants from DFEE	344,247			293,270		
Support from sponsors	21,650			358,465		
Purchase of fixed assets	(631,509)			(502,801)		
	<hr/>			<hr/>		
Net cashflow from capital activities		(265,612)			148,934	
		<hr/>			<hr/>	
Net (decrease)/increase in cash balances		(324,637)			415,482	
Cash brought forward at beginning of the year		774,930			359,448	
		<hr/>			<hr/>	
Cash at close of the year		450,293			774,930	
		<hr/> <hr/>			<hr/> <hr/>	

**THE LEIGH CITY TECHNOLOGY COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 1995**

**1 ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of the financial statements of the company are described below.

- (a) **Format of accounts**  
The standard format for the accounts as required by the Companies Act 1985 Schedule 4 Part I has been adapted to provide more appropriate information which reflects the activities of the company. As permitted under FRS 1 the standard headings for the cash flow statement have not been used in order to give a fairer presentation of the activities of the company.
- (b) **Accounting convention**  
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (c) **Income**  
Income is the amount considered to be reimbursable by the Department for Education in respect of transitional and recurrent expenditure during the year.
- (d) **Expenditure**  
Expenditure is charged to the Income and Expenditure Account on an accruals basis.
- (e) **Tangible fixed assets**  
Depreciation of tangible fixed assets is provided on a straight line basis at rates calculated to write off the cost of assets over their anticipated useful lives.
- The annual rates used are:-
- |                              |     |
|------------------------------|-----|
| Long leasehold land          | Nil |
| Long leasehold buildings     | 2%  |
| Buildings                    | 2%  |
| Computer equipment           | 25% |
| Furniture and fittings       | 20% |
| Office and college equipment | 20% |
- (f) **Taxation**  
Under S505 ICTA 1988 the college is not liable to taxation. The cost of Value Added Tax incurred by the College has been included in the income and expenditure account.
- (g) **Capital expenditure**  
Funds received towards capital expenditure by way of grants from the Government and by private donations are added to the Accruals and Deferred Income Account. A transfer is made to the Income and Expenditure Account in respect of amortisation over the estimated useful lives of the fixed assets purchased.
- (h) **Pension costs**  
The pension charge represents payments made to an independently administered Scheme and is charged to the Income and Expenditure Account in the period to which it relates.
- (i) **Consolidation**  
The company qualifies for the exemption as a medium size group as defined in section 248 of the Companies Act 1985. The directors having taken advantage of this exemption and have not prepared group accounts.

**THE LEIGH CITY TECHNOLOGY COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 1995**

<b>2</b>	<b>ANNUAL PER CAPITA GRANT (APG)</b>	<u>1995</u> £	<u>1994</u> £
	Maximum APG permitted	3,724,609	3,611,388
		<hr/>	<hr/>
<b>3</b>	<b>OTHER INCOME</b>		
	Interest receivable		
	Bank interest	45,542	40,257
	From subsidiary undertaking	7,750	6,250
	Other grants and sundry income	148,971	110,660
		<hr/>	<hr/>
		199,263	157,167
		<hr/>	<hr/>
<b>4</b>	<b>GENERAL EXPENDITURE</b>		
	Included in expenditure within the Income and Expenditure account are:		
	Auditors' remuneration	8,505	7,050
	Depreciation	483,819	438,370
		<hr/>	<hr/>
<b>5</b>	<b>STAFF COSTS</b>		
	Staff costs comprised:		
	Wages and salaries	2,508,282	2,351,075
	Social security costs	205,066	201,198
	Other pension costs	165,061	156,307
		<hr/>	<hr/>
		2,878,409	2,708,580
		<hr/>	<hr/>
	Average number of persons employed by the college during the year:	<u>Number</u>	<u>Number</u>
	Management	4	4
	Administration	22	22
	Technical support staff	11	11
	Teachers	87	84
		<hr/>	<hr/>
		124	121
		<hr/>	<hr/>

**6 DIRECTORS**

None of the directors received any emoluments in respect of their services during the year (1994 : £Nil).

**THE LEIGH CITY TECHNOLOGY COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 1995**

**7 TANGIBLE FIXED ASSETS**

	<u>Long Leasehold land and buildings</u> £	<u>Furniture and equipment</u> £	<u>Computer equipment and software</u> £	<u>Total</u> £
<b>Cost</b>				
At 1 September 1994	8,458,711	832,629	452,394	9,743,734
Acquired during year	320,292	67,740	92,265	480,297
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1995	8,779,003	900,369	544,659	10,224,031
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 September 1994	592,726	622,721	366,495	1,581,942
Charge for year	167,580	180,074	136,165	483,819
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1995	760,306	802,795	502,660	2,065,761
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 August 1995	8,018,697	97,574	41,999	8,158,270
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1994	7,865,985	209,908	85,899	8,161,792
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation rates</b>	Long leasehold land - Nil Long leasehold buildings - 2% Buildings - 2%			
		20%	25%	
<b>Source of funding for assets acquired</b>				
Capital grants	7,070,484	720,295	435,727	8,226,506
Private sector	1,708,519	180,074	108,932	1,997,525
	<hr/>	<hr/>	<hr/>	<hr/>
	8,779,003	900,369	544,659	10,224,031
	<hr/>	<hr/>	<hr/>	<hr/>

**Reconciliation of fixed assets to capital funding**

	£
Fixed assets at 31 August 1995	10,224,031
Accrued expenditure	(1,518)
	<hr/>
	10,222,513
	<hr/>
Capital funding at 31 August 1995 (see note 15)	10,208,197
DFEE Advance funding	14,316
	<hr/>
	10,222,513
	<hr/>

**THE LEIGH CITY TECHNOLOGY COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 1995**

<b>8 INVESTMENT</b>	<u><b>1995</b></u> <b>£</b>	<u><b>1994</b></u> <b>£</b>
Wholly owned subsidiary undertaking:-		
Shares at cost	2	2
Long-term loan	100,000	100,000
	<u>100,002</u>	<u>100,002</u>

The wholly-owned subsidiary undertaking is The Leigh CTC Enterprise Company Limited, which is incorporated in England.

The principal activity of the subsidiary is the letting of leisure and social facilities to the public. The accounts of the subsidiary for the year ended 31 August 1995 show net assets of £694 and a loss for the year of £235.

<b>9 DEBTORS</b>		
<b>Due within one year:</b>		
Department for Education and Employment		
Capital grant	33,242	113,600
Amount due from subsidiary	5,371	-
Other debtors	53,693	30,332
	<u>92,306</u>	<u>143,932</u>

<b>10 PREPAYMENTS</b>		
Sundry prepayments	33,972	25,391
	<u>33,972</u>	<u>25,391</u>

<b>11 CREDITORS</b>		
<b>Amounts falling due within one year:</b>		
Capital grant repayable to the DFEE	14,316	176,335
PAYE and NIC	115	80,847
Amounts due to subsidiary undertaking	-	15,468
Other creditors	98,171	175,760
	<u>112,602</u>	<u>448,410</u>

**THE LEIGH CITY TECHNOLOGY COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 1995**

12 ACCRUALS	<u>1995</u> £	<u>1994</u> £
Building works	1,518	162,096
Sundry accruals	94,923	50,633
	<hr/> 96,441	<hr/> 212,729
	<hr/>	<hr/>

13 PROVISIONS FOR LIABILITIES AND CHARGES	At <u>1.9.94</u> £	Income and expenditure <u>account</u> £	At <u>31.8.95</u> £
Provision for repairs	487,000	(100,000)	387,000
	<hr/>	<hr/>	<hr/>

The provision for repairs is in respect of refurbishment of buildings and heating system.

14 DEFERRED INCOME	<u>Government capital grant</u> £	<u>Private sector contributions</u> £	<u>Recurrent funding</u> £	<u>Total</u> £
<b>Income:</b>				
At 1 September 1994	7,722,925	1,570,389	272,969	9,566,283
Received during the year	480,353	21,650	139,911	641,914
	<hr/> 8,203,278	<hr/> 1,592,039	<hr/> 412,880	<hr/> 10,208,197
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Amortisation:</b>				
At 1 September 1994				(1,581,942)
Transfer to income and expenditure account				(483,819)
				<hr/> 8,142,436
				<hr/>

**THE LEIGH CITY TECHNOLOGY COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 1995**

**15 FUNDS**

	<u>General purpose fund (grant income) £</u>	<u>Other fund (Non grant income) £</u>	<u>Total £</u>
At 1 September 1994	(435,600)	509,167	73,567
Transfers (to)/from income and expenditure account at end of the year	(36,555)	59,352	22,797
	<hr/>	<hr/>	<hr/>
At 31 August 1995	(472,155)	568,519	96,364
	<hr/>	<hr/>	<hr/>

**16 CAPITAL COMMITMENTS**

	<u>1995 £</u>	<u>1994 £</u>
Capital expenditure contracted for but not provided for in the financial statements	142,549	317,265
	<hr/>	<hr/>

**17 PENSION CONTRIBUTIONS**

The teaching staff are members of the DFEE Teachers' Pension Agency Superannuation Scheme which is a defined benefit scheme. The College has arranged a superannuation scheme for those non-teaching staff who wish to avail themselves of the facility. The scheme is a money purchase scheme.

The assets of both schemes are held separately from those of the College in funds administered by third parties.

The pension cost charge represents the contributions payable by the College to the schemes and amounted to £165,061 (1994 : £156,307). At 31 August 1995, contributions amounting to £2,254 (1994 : £30,056) were payable to the schemes and are included in creditors.