Grant Thornton

Financial Statements Lancashire Technology Centre Limited

For the year ended 31 March 2008

Company No 05021926

Company information

Company registration number :	05021926
Registered office :	Christ Church Precinct Fishergate Hill County Hall Preston PR1 8XJ
Directors :	H Bramwell M Cook S M Dean A C P Martin M Smith J T Smith
Secretary :	I M Fisher
Bankers :	The Royal Bank of Scotland Plc 97 Fishergate Preston PR1 2DP
Auditors :	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

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Report of the directors

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2008

Principal activities
The principal activities of the company are to manage property, to promote training, skill development and encourage employment opportunities

Results
The loss for the year before taxation amounted to £18,025 (2007 loss £318,790) The loss for the year after taxation amounted to £12,025 (2007 loss £325,790) which has been transferred to reserves

Capital funding
Lancashire Technology Centre Limited is a company limited by guarantee, therefore, does not have a share capital Its funding is provided by way of capital contribution from Burnley Borough Council and a loan from Lancashire County Developments Limited

Directors and employees
The Board of Directors during the year ended 31 March 2008 is shown below All served on the Board throughout the year and thereafter, unless otherwise indicated

H Bramwell	
M Cook	(appointed 15 May 2008)
S M Dean	
A C P Martin	
H J A Simpson	(resigned 15 May 2008)
M Smith	
J T Smith	

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 period In preparing these financial statements, the directors are required to

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

Statement of directors' responsibilities (continued)
The directors are responsible for maintaining 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps to insure that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors
Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985

BY ORDER OF THE BOARD

I M Fisher
Secretary

26 June 2008

Grant Thornton

Report of the independent auditors to the members of Lancashire Technology Centre Limited

We have audited the financial statements of Lancashire Technology Centre Limited for the year ended 31 March 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 13 These financial statements have been prepared in accordance with 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 directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and 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)

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, 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 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 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

Grant Thornton

Report of the independent auditors to the members of Lancashire Technology Centre 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 March 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 for the year ended 31 March 2008

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER

26 June 2008

Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

Operating income

Operating income represents rental and service income charged to third parties exclusive of value added tax which is recognised in the period to which they relate

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, certain of the company's properties are held for long–term investment and are included in the balance sheet at their open market values The surplus(es) or deficit(s) on revaluation of such properties are transferred to the investment property revaluation reserve Depreciation is not provided in respect of freehold investment properties Leasehold investment properties are not amortised where the unexpired term is over twenty years

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified

Profit and loss account

Continuing activities	Note	2008 £	2007 £
Operating income	1	**239,293**	274,454
Cost of sales		**(187,464)**	(160,969)
Gross profit		**51,829**	113,485
Provision for permanent diminution in value of investment properties		**-**	(355,550)
Administrative expenses		**(69,854)**	(76,725)
Loss on ordinary activities before taxation	1	**(18,025)**	(318,790)
Taxation	4	**6,000**	(7,000)
Loss on ordinary activities after taxation and retained for the year	9	**(12,025)**	(325,790)

There were no recognised gains or losses other than the loss for the current year and for the previous year Accordingly, a statement of total recognised gains and losses has not been presented

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	5	**1,750,000**	1,750,000
Current assets			
Debtors	6	**73,346**	124,052
Cash at bank and in hand		**84,080**	80,855
		157,426	204,907
Creditors : amounts falling due within one year	7	**(385,019)**	(414,475)
Net current liabilities		**(227,593)**	(209,568)
Total assets less current liabilities		**1,522,407**	1,540,432
Provisions for liabilities and charges	8	**(5,000)**	(11,000)
Net assets		**1,517,407**	1,529,432
Capital and reserves			
Capital fund	9	**1,850,000**	1,850,000
Profit and loss account	9	**(332,593)**	(320,568)
Members' funds	10	**1,517,407**	1,529,432

These financial statements were approved by the Board on 26 June 2008 and signed on their behalf by

Director

Notes to the financial statements

1 Operating income and loss on ordinary activities before taxation

Operating income and loss on ordinary activities before taxation are attributable to the company's principal activities, which were carried out entirely within the United Kingdom

The loss on ordinary activities before taxation is stated after charging

	2008	2007
	£	£
Auditors' remuneration – audit services	-	-
– other services	-	-

2 Directors' emoluments

None of the directors received any emoluments from the company during the current or previous year

3 Staff costs

	2008	2007
Staff costs during the year were as follows	£	£
Wages and salaries	-	–
Social security costs	-	–
Pension costs	-	–
	-	–

The employees of the company are seconded from Lancashire County Developments Limited and Burnley College The average number of employees in the year ended 31 March 2008 is 2 (2007 2) The employee costs of £42,433 for the year (2007 £48,295) are recharged to the company and included in administrative expenses

4 Taxation

The taxation (credit)/charge is based on the loss for the year and represents

	2008	2007
	£	£
Corporation tax at 30% (2007 19%)		
– Current year	-	-
– Adjustments in respect of prior periods	-	(4,000)
Deferred taxation (credit)/charge	**(6,000)**	11,000
	(6,000)	7,000

Factors affecting the tax (credit)/charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 30% (2007 19%) The differences are explained as follows

	2008	2007
	£	£
Loss on ordinary activities before taxation	**(18,025)**	(318,790)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30% (2007 19%)	**(5,408)**	(60,570)
Effect of		
Increase in unused losses	**14,090**	-
Adjustments in respect of prior periods	-	(4,000)
Permanent diminution in value of investment properties	-	67,555
Accelerated capital allowances	**(9,370)**	(7,098)
Other	**688**	113
	-	(4,000)

5 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Valuation and net book amount			
At 1 April 2007 and 31 March 2008	1,750,000	-	1,750,000

In 2005, a property known as the Lancashire Digital Technology Centre was transferred to the company from Burnley Borough Council by way of capital contribution at valuation The property was externally valued on an open market basis as at 31 March 2007 by King Sturge LLP

The historical costs of the freehold premises are as follows

	2008 £	2007 £
At 31 March	**2,105,550**	2,105,550

6 Debtors

	2008 £	2007 £
Trade debtors	**28,119**	43,051
Amount owed by related party	**23,689**	54,248
Social security and other taxes	**488**	-
Prepayments and accrued income	**21,050**	26,753
	73,346	124,052

7 Creditors : amounts falling due within one year

	2008 £	2007 £
Trade creditors	**18,167**	8,644
Amounts owed to related undertakings	**19,550**	38,446
Loan from related undertaking (note 13)	**255,550**	255,550
Social security and other taxes	**-**	1,049
Accruals and deferred income	**91,752**	110,786
	385,019	414,475

8 Provisions for liabilities and charges

The movement on the deferred tax liability during the year was as follows

	£
Deferred tax liability at 1 April 2007	11,000
Credit for the year	(6,000)
Deferred tax liability at 31 March 2008	5,000

Deferred taxation provided for in the financial statements is set out below

	2008	**2007**
	£	**£**
Other timing differences	**(3,000)**	(3,000)
Accelerated capital allowances	**45,000**	39,000
Losses	**(37,000)**	(25,000)
Deferred tax liability	**5,000**	11,000

9 Reserves

	Capital Fund	**Profit and loss account**
	£	**£**
At 1 April 2007	1,850,000	(320,568)
Loss for the year	-	(12,025)
At 31 March 2008	1,850,000	(332,593)

10 Reconciliation of movements in members' funds

	2008	2007
	£	£
Loss for the year	**(12,025)**	(325,790)
Opening members' funds	**1,529,432**	1,855,222
Closing members' funds	**1,517,407**	1,529,432

11 Capital commitments

There were no capital commitments at 31 March 2008 or 31 March 2007

12 Constitution

The company is limited by guarantee At 31 March 2008, there were 3 members (2007 3), each of whom on winding up has undertaken to contribute an amount not exceeding £1 The members represent the interests of the following organisations, Burnley Borough Council, Burnley College, and Lancashire County Developments Limited, all of which contribute to the achievement of the company's objectives and activities

13 Related parties

Sales transactions with Burnley College (a member of the company) amounted to £73,883 (2007 £55,672) Purchases from this related party were £472(2007 £9,261) The amount owed by this related party at 31 March 2008 was £23,296 (2007 £23,190) The amount owed to this related party was £Nil (2007 £Nil)

Sales transactions with Burnley Borough Council (a member of the company) amounted to £2,577 (2007 £29,077) Purchases from this related party were £21,622 (2007 £73,448) The amount owed by this related party at 31 March 2008 was £(4,908) (2007 £1,863) The amount owed to this related party was £Nil (2007 £Nil)

Sales transactions with Lancashire County Developments Limited (a member of the company) amounted to £262 (2007 £165) Purchases from this related party were £18,182 (2007 £27,043) The amount owed by this related party at 31 March 2008 was £Nil (2007 £Nil) The amount owed to this related party was £317 (2007 £33,744)

Sales transactions with Lancashire County Council amounted to £261 (2007 Nil) Purchases from Lancashire County Council were £55,046 (2007 £49,454) The amount owed by this related party at 31 March 2008 £2,262 (2007 £Nil) The amount owed to this related party at 31 March 2008 was £11,671 (2007 £4,702)

At 31 March 2008, Lancashire County Developments Limited provided funding to the company by way of a loan of £255,550 (2007 £255,550) At the date of these accounts, there are no fixed terms for repayment