

Co. House

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005
FOR
THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

2993059



**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31st March 2005**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10
Trading and Profit and Loss Account	18

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**COMPANY INFORMATION
For The Year Ended 31st March 2005**

DIRECTORS:

K A Bradshaw
M J Lowe
C A Davies
R K Austin
L Nicholson
J E Jones
I Yarroll
P Taylor
P Harrison
P J Corston
K Webb

SECRETARY:

T J Smith

REGISTERED OFFICE:

First Floor, Victoria House
Victoria Quay
Welsh Bridge
Shrewsbury
Shropshire
SY1 1HH

REGISTERED NUMBER:

2993054 (England and Wales)

AUDITORS:

Howard Worth
Chartered Accountants and
Registered Auditors
The Heysoms
163 Chester Road
Northwich
Cheshire
CW8 4AQ

BANKERS:

The Co-operative Bank
42 Greengate Street
Stafford
Staffordshire
ST16 2BU

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**REPORT OF THE DIRECTORS
For The Year Ended 31st March 2005**

The directors present their report with the financial statements of the company for the year ended 31st March 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of impartial support and advice on health, employment, lifestyle, housing, finance and learning to young people and adults, and support services to schools, colleges, employers and training suppliers in Shropshire, Telford and Wrekin.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2005.

DIRECTORS

The directors during the year under review were:

K A Bradshaw

M J Lowe

C A Davies

R K Austin

L Nicholson

J E Jones

I Yarroll

P Taylor

P Harrison

P J Corston

N C Phillips

K Webb

- resigned 6/5/2004

- appointed 8/7/2004

The directors holding office at 31st March 2005 did not hold any beneficial interest in the issued share capital of the company at 1st April 2004 (or date of appointment if later) or 31st March 2005.

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 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;
- 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.

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**REPORT OF THE DIRECTORS
For The Year Ended 31st March 2005**

AUDITORS

The auditors, Howard Worth, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'K Bradshaw', with a horizontal line underneath it.

K A Bradshaw - Director

14th July 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

We have audited the financial statements of The Shropshire and Telford & Wrekin Connexions Partnership Limited for the year ended 31st March 2005 on pages five to seventeen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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, the Report of the Directors is not consistent with the financial statements, 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 transactions with the company is not disclosed.

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

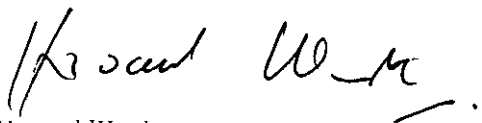
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Howard Worth
Chartered Accountants and
Registered Auditors
The Heysoms
163 Chester Road
Northwich
Cheshire
CW8 4AQ

14th July 2005

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**PROFIT AND LOSS ACCOUNT
For The Year Ended 31st March 2005**

	Notes	31.3.05 £	31.3.04 £
TURNOVER		6,264,913	6,251,188
Cost of sales		<u>5,317,987</u>	<u>5,244,655</u>
GROSS PROFIT		946,926	1,006,533
Administrative expenses		<u>965,363</u>	<u>980,930</u>
OPERATING (LOSS)/PROFIT	3	(18,437)	25,603
Interest receivable and similar income		<u>101,557</u>	<u>89,686</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		83,120	115,289
Tax on profit on ordinary activities	4	<u>19,296</u>	<u>17,040</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>63,824</u>	<u>98,249</u>
RETAINED PROFIT FOR THE YEAR		<u>63,824</u>	<u>98,249</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For The Year Ended 31st March 2005**

	31.3.05	31.3.04
	£	£
PROFIT FOR THE FINANCIAL YEAR	63,824	98,249
Revaluation of property	117,500	-
	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>181,324</u>	<u>98,249</u>

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

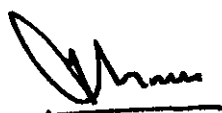
**BALANCE SHEET
31st March 2005**

	Notes	31.3.05 £	£	31.3.04 £	£
FIXED ASSETS					
Tangible assets	5		228,620		132,682
CURRENT ASSETS					
Debtors	6	840,048		924,604	
Cash at bank and in hand		2,475,725		2,235,585	
		<u>3,315,773</u>		<u>3,160,189</u>	
CREDITORS					
Amounts falling due within one year	7	2,434,650		2,364,452	
NET CURRENT ASSETS			<u>881,123</u>		<u>795,737</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,109,743		928,419
PROVISIONS FOR LIABILITIES AND CHARGES	9		79,755		79,755
			<u>1,029,988</u>		<u>848,664</u>
CAPITAL AND RESERVES					
Called up share capital	10		2,000		2,000
Share premium	11		199,000		199,000
Revaluation reserve	11		141,000		23,500
Working capital fund	11		58,000		58,000
Profit and loss account	11		629,988		566,164
SHAREHOLDERS' FUNDS	14		<u>1,029,988</u>		<u>848,664</u>

ON BEHALF OF THE BOARD:



K A Bradshaw - Director



M J Lowe - Director

Approved by the Board on 14th July 2005

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**CASH FLOW STATEMENT
For The Year Ended 31st March 2005**

	Notes	31.3.05 £	31.3.04 £
Net cash inflow from operating activities	1	188,592	303,345
Returns on investments and servicing of finance	2	101,557	89,686
Taxation		(17,040)	(11,839)
Capital expenditure	2	(32,969)	(11,844)
Increase in cash in the period		<u>240,140</u>	<u>369,348</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>240,140</u>	<u>369,348</u>
Change in net funds resulting from cash flows		<u>240,140</u>	<u>369,348</u>
Movement in net funds in the period		240,140	369,348
Net funds at 1st April		<u>2,235,585</u>	<u>1,866,237</u>
Net funds at 31st March		<u>2,475,725</u>	<u>2,235,585</u>

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31st March 2005**

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.05 £	31.3.04 £
Operating (loss)/profit	(18,437)	25,603
Depreciation charges	54,531	69,224
Increase in provisions	-	79,755
Decrease/(Increase) in debtors	84,556	(271,361)
Increase in creditors	67,942	400,124
Net cash inflow from operating activities	<u>188,592</u>	<u>303,345</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.05 £	31.3.04 £
Returns on investments and servicing of finance		
Interest received	101,557	89,686
Net cash inflow for returns on investments and servicing of finance	<u>101,557</u>	<u>89,686</u>
Capital expenditure		
Purchase of tangible fixed assets	(32,969)	(11,844)
Net cash outflow for capital expenditure	<u>(32,969)</u>	<u>(11,844)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/04 £	Cash flow £	At 31/3/05 £
Net cash:			
Cash at bank and in hand	2,235,585	240,140	2,475,725
	<u>2,235,585</u>	<u>240,140</u>	<u>2,475,725</u>
Total	<u>2,235,585</u>	<u>240,140</u>	<u>2,475,725</u>

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st March 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties.

Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land and buildings	- 2% on cost
Leasehold improvements	- 20% on cost
Fixtures, fittings and equipment	- 25% on cost and 20% on cost

Retirement Benefits

The company operates a defined benefit pension scheme. The regular pension cost is charged to the profit and loss account and is based on the expected pension costs over the service life of the employees. The current pension deficit is spread in the profit and loss account over the remaining service lives of current employees.

Revaluation of Properties

The freehold property was professionally revalued on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

The freehold property is professionally revalued every five years with an interim valuation in year three.

Government grants

Grants received relating to capital expenditure are credited to the profit and loss account over a period equivalent to the estimated useful economic lives of the assets to which they relate, as in accordance with SSAP 4. Grants received relating to revenue expenditure are credited to the profit and loss account in the year relating to the associated expenditure.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. STAFF COSTS

	31.3.05	31.3.04
	£	£
Wages and salaries	3,665,172	3,459,636
Social security costs	253,736	240,725
Other pension costs	300,458	222,942
	<u>4,219,366</u>	<u>3,923,303</u>

The average monthly number of employees during the year was as follows:

	31.3.05	31.3.04
Office and management	<u>168</u>	<u>167</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

3. OPERATING (LOSS)/PROFIT

The operating loss (2004 - operating profit) is stated after charging:

	31.3.05	31.3.04
	£	£
Depreciation - owned assets	54,531	69,224
Auditors remuneration	5,094	6,000
Operating lease rentals	<u>148,460</u>	<u>111,202</u>

Directors' emoluments	<u>58,750</u>	<u>37,291</u>
-----------------------	---------------	---------------

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>1</u>	<u>1</u>
-------------------------	----------	----------

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.05	31.3.04
	£	£
Current tax:		
UK corporation tax	<u>19,296</u>	<u>17,040</u>
Tax on profit on ordinary activities	<u>19,296</u>	<u>17,040</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.05	31.3.04
	£	£
Profit on ordinary activities before tax	<u>83,120</u>	<u>115,289</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2004 - 19%)	15,793	21,905
Effects of:		
Non taxable items	<u>3,503</u>	<u>(4,865)</u>
Current tax charge	<u>19,296</u>	<u>17,040</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold improvements £	Fixtures, fittings and equipment £	Totals £
COST OR VALUATION				
At 1st April 2004	63,500	31,814	282,622	377,936
Additions	-	-	32,969	32,969
Revaluations	111,500	-	-	111,500
	<u>175,000</u>	<u>31,814</u>	<u>315,591</u>	<u>522,405</u>
DEPRECIATION				
At 1st April 2004	4,750	22,170	218,334	245,254
Charge for year	3,000	4,719	46,812	54,531
Revaluation adjustments	(6,000)	-	-	(6,000)
	<u>1,750</u>	<u>26,889</u>	<u>265,146</u>	<u>293,785</u>
NET BOOK VALUE				
At 31st March 2005	<u>173,250</u>	<u>4,925</u>	<u>50,445</u>	<u>228,620</u>
At 31st March 2004	<u>58,750</u>	<u>9,644</u>	<u>64,288</u>	<u>132,682</u>

Cost or valuation at 31st March 2005 is represented by:

	Freehold land and buildings £	Leasehold improvements £	Fixtures, fittings and equipment £	Totals £
Valuation in 2005	135,000	-	-	135,000
Cost	40,000	31,814	315,591	387,405
	<u>175,000</u>	<u>31,814</u>	<u>315,591</u>	<u>522,405</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.05	31.3.04
	£	£
Cost	40,000	40,000
	<u>4,000</u>	<u>3,200</u>
Aggregate depreciation		

Freehold land and buildings were valued on an open market basis on 19th May 2004 by Barbers, Chartered Surveyors.

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

6. DEBTORS

	31.3.05	31.3.04
	£	£
Amounts falling due within one year:		
Trade debtors	215,212	525,240
Other debtors	37,467	40,780
Prepayments and accrued income	586,369	357,584
	<u>839,048</u>	<u>923,604</u>
Amounts falling due after more than one year:		
Called up share capital not paid	<u>1,000</u>	<u>1,000</u>
Aggregate amounts	<u>840,048</u>	<u>924,604</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.05	31.3.04
	£	£
Trade creditors	349,238	188,184
Taxation	19,296	17,040
Social security and other taxes	248,837	244,838
VAT	4,678	124,728
Other creditors	785,719	800,061
Accruals and deferred income	1,026,882	989,601
	<u>2,434,650</u>	<u>2,364,452</u>

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

		Land and buildings
	31.3.05	31.3.04
	£	£
Expiring:		
Within one year	16,739	28,721
Between one and five years	66,498	22,800
In more than five years	49,291	59,400
	<u>132,528</u>	<u>110,921</u>

9. PROVISION FOR LIABILITIES AND CHARGES

	31.3.05	31.3.04
	£	£
Other provisions	<u>79,755</u>	<u>79,755</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

9. PROVISION FOR LIABILITIES AND CHARGES - continued

Other provisions relates to a dilapidation's provision on the leased premises that the company occupies. It is not possible to state the exact timing of transfer of economic benefit as the company occupies a number of leasehold premises, all of which have different lease expiry dates. The company is not expected to receive any reimbursement of costs.

10. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	31.3.05	31.3.04
Number:	Class:		£	£
1,480	'A' Ordinary	£1	1,480	1,480
520	'B' Ordinary	£1	520	520
			<u>2,000</u>	<u>2,000</u>

Allotted and issued:		Nominal value:	31.3.05	31.3.04
Number:	Class:		£	£
1,480	'A' Ordinary	£1	1,480	1,480
520	'B' Ordinary	£1	520	520
			<u>2,000</u>	<u>2,000</u>

500 'A' ordinary shares of £1 each and 500 'B' ordinary shares of £1 each have been fully paid.

11. RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Working capital fund £	Totals £
At 1st April 2004	566,164	199,000	23,500	58,000	846,664
Retained profit for the year	63,824	-	-	-	63,824
Revaluation	-	-	117,500	-	117,500
At 31st March 2005	<u>629,988</u>	<u>199,000</u>	<u>141,000</u>	<u>58,000</u>	<u>1,027,988</u>

Profit and loss account excluding pension liability	629,988
Pension reserve	(3,681,000)

Profit and loss account	<u>(3,051,012)</u>
-------------------------	--------------------

The working capital fund may only be used to support the Connexions grant funded work and is repayable to the Department of Education and Skills in the event of the company being wound up.

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

12. PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31st March 2004 and updated to 31st March 2005 by a qualified independent actuary. The major assumptions used by the actuary were:

	31/3/05	31/3/04	31/3/03
Rate of increase in salaries	4.65%	4.30%	4%
Rate of increase in pensions in payment	2.90%	2.80%	2.50%
Discount rate for scheme liabilities	5.40%	6.30%	5.40%
Inflation assumption	2.90%	2.80%	2.50%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31/3/05	Value at 31/3/05 £	Long-term rate of return expected at 31/3/04	Value at 31/3/04 £	Long-term rate of return expected at 31/3/03	Value at 31/3/03 £
Equities	7.50%	5,234,000	7.50%	4,388,000	7.50%	3,263,000
Bonds	4.70%	194,000	4.70%	191,000	4.50%	941,000
Property	6.50%	305,000	6.50%	382,000	6.50%	323,000
Cash	4.75%	119,000	4%	63,000	3.70%	18,000
Other bonds	5.40%	1,593,000	5.50%	1,335,000	5.40%	-
Total market value of assets		7,445,000		6,359,000		4,545,000
Present value of scheme liabilities		(11,126,000)		(8,036,000)		(6,428,000)
Deficit in scheme		(3,681,000)		(1,677,000)		(1,883,000)
Net pension liability		(3,681,000)		(1,677,000)		(1,883,000)

Analysis of the amount that will be included within operating profit under FRS 17

	31.3.05 £	31.3.04 £
Current service cost	507,000	447,000
Past service cost	156,000	15,000
Total operating charge	663,000	462,000

Analysis of the amount that will be included as other finance income under FRS 17

	31.3.05 £	31.3.04 £
Expected return on pension scheme assets	448,000	332,000
Interest on pension scheme liabilities	(453,000)	(372,000)
Net return	(5,000)	(40,000)

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

12. PENSION COMMITMENTS - continued

Analysis of amount that will be included within the statement of total recognised gains and losses under FRS 17

	31.3.05	31.3.04
	£	£
Actual return less expected return on pension scheme assets	166,000	789,000
Experience gains and losses arising on the scheme liabilities	(1,128,000)	-
Changes in assumptions underlying the present value of the scheme liabilities	(741,000)	(304,000)
	<u>(1,703,000)</u>	<u>485,000</u>
Actuarial (loss)/gain	<u>(1,703,000)</u>	<u>485,000</u>

Movement in deficit during the year

	31.3.05
	£
Deficit in scheme at start of year	(1,677,000)
Movement in year:	
Current service cost	(507,000)
Contributions	367,000
Past service costs	(156,000)
Other finance costs	(5,000)
Actuarial loss	(1,703,000)
	<u>(3,681,000)</u>
Deficit in scheme at end of year	<u>(3,681,000)</u>

History of experience gains and losses

	31.3.05	31.3.04	31.3.03
Difference between the expected and actual return on scheme assets:			
amount (£)	166,000	789,000	(1,553,000)
percentage of scheme assets	2%	12%	(34)%
Experience gains and losses on scheme liabilities:			
amount (£)	(1,128,000)	0	0
percentage of the present value of the scheme liabilities	10%	0%	0%
Total actuarial gain or loss:			
amount (£)	(1,703,000)	485,000	(2,251,000)
percentage of the present value of the scheme liabilities	15%	(6)%	35%

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31st March 2005**

13. RELATED PARTY DISCLOSURES

The company is controlled by Shropshire County Council (SCC), Telford & Wrekin Council (TWC), and Shropshire Chamber of Commerce Training and Enterprise Limited (SCCTE), each of which own 37%, 37%, and 26% respectively of the company's issued share capital. M J Lowe and N C Phillips, both directors of The Shropshire and Telford & Wrekin Connexions Partnership Limited, are also directors of SCCTE.

During the year the company purchased services from SCC totalling £259,398 in respect of consultancy, administrative and printing services, and also made sales for services to them totalling £170,828. In addition, £65,300 is included in trade debtors and £78,225 is included in trade creditors at the year end.

During the year, the company made sales for services to TWC totalling £17,700. Amounts owed from TWC were £3,144 at the year end.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.05	31.3.04
	£	£
Profit for the financial year	63,824	98,249
Other recognised gains and losses relating to the year (net)	117,500	-
Net addition to shareholders' funds	<u>181,324</u>	<u>98,249</u>
Opening shareholders' funds	<u>848,664</u>	<u>750,415</u>
Closing shareholders' funds	<u><u>1,029,988</u></u>	<u><u>848,664</u></u>
 Equity interests	 <u><u>1,029,988</u></u>	 <u><u>848,664</u></u>

15. CONTROLLING PARTY

There is no controlling party of the company.