

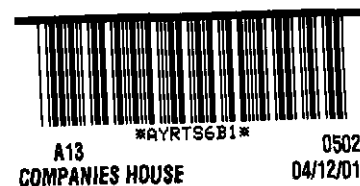
The Shropshire and Telford & Wrekin Connexions  
Partnership Limited

(formerly known as  
Shropshire Careers Service Limited)

FINANCIAL STATEMENTS

for the year ended

31 March 2001



COMPANIES HOUSE

27/11/01

Company Registration No. 2993054

The Shropshire and Telford & Wrekin Connexions  
Partnership Limited  
DIRECTORS' REPORT

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DIRECTORS

S J Jackson  
M J Lowe  
C Davies  
R K Austin  
A G Whyte  
R A M Belham  
C G Trotman  
J A Clayton  
L Nicholson  
S L Holmes

SECRETARY

J A Clayton

COMPANY NUMBER

2993054 (England and Wales)

REGISTERED OFFICE

1st Floor, Victoria House  
Victoria Quay  
Welsh Bridge  
Shrewsbury  
SY1 1HH

AUDITORS

Baker Tilly  
Chartered Accountants  
3<sup>rd</sup> & 4<sup>th</sup> Floors  
Temple Plaza  
Temple Row  
Birmingham  
B2 5AF

BANKERS

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

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of The Shropshire and Telford & Wrekin Connexions Partnership Careers Service Limited for the year ended 31 March 2001.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was the provision of careers information, guidance and advice services to individuals, schools, colleges, employers and training providers throughout Shropshire.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The year 2000/2001 was a watershed year for the company. Further external contracts were secured, and most crucially the move to Connexions demonstrates the considerable confidence from partners and DfEE in the company's ability to deliver. Having taken responsibility for the Education Business Partnership, the company's portfolio of services is very well suited to the new agenda and our future is bright.

### RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £81,588 (2000 £59,336).

### INTRODUCTION OF THE EURO

No additional costs are expected to be incurred relating to the change over to the Euro.

### DIRECTORS

The following directors have held office since 1 April 2000:-

S J Jackson  
M J Lowe  
R K Austin  
A G Whyte  
R A M Belham  
C G Trotman  
C Davies  
J A Clayton  
L Nicholson  
S L Holmes  
V Fox  
A B Robinson

(appointed 15 July 2000)

(appointed 22 March 2001)

(appointed 19 June 2000, resigned 22 March 2001)

(resigned 1 June 2000)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors had any interests in the share capital of the company.

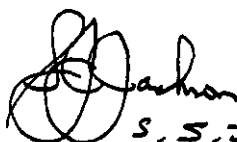
### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

J A Clayton  
Secretary

2001



S. S. JACKSON

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# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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 SHAREHOLDERS OF THE SHROPSHIRE AND TELFORD & WREKIN CONNEXIONS PARTNERSHIP LIMITED

We have audited the financial statements on pages 5 to 12.

## Respective responsibilities of directors and auditors

As described on page 3 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.

## Basis of opinion

We conducted our audit in accordance with 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 at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

BAKER TILLY

Registered Auditor  
Chartered Accountants  
3<sup>rd</sup> & 4<sup>th</sup> Floors  
Temple Plaza  
Temple Row  
Birmingham  
B2 5AF

26 July 2001

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 2001

	Notes	2001 £	2000 £
TURNOVER	1	3,164,203	2,541,281
Cost of sales		2,392,369	1,902,387
Gross profit		771,834	638,894
Other operating expenses	2	718,426	594,490
OPERATING PROFIT		53,408	44,404
Investment income	3	35,671	18,903
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	89,079	63,307
Taxation	6	7,491	3,971
RETAINED PROFIT FOR THE YEAR	11	81,588	59,336

The operating profit for the year arises from the company's continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	2001 £	2000 £
Profit for the financial year	81,588	59,336
Unrealised surplus on revaluation of properties	23,500	-
Total recognised gains and losses relating to the year	105,088	59,336

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## BALANCE SHEET

31 March 2001


	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	7	244,469	203,899
<b>CURRENT ASSETS</b>			
Debtors	8	681,278	381,074
Cash at bank and in hand		966,539	600,813
		1,647,817	981,887
<b>CREDITORS: Amounts falling due within one year</b>	9	1,275,891	674,479
<b>NET CURRENT ASSETS</b>		371,926	307,408
<b>NET ASSETS</b>		616,395	511,307
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1,000	1,000
Share premium account	11	199,000	199,000
Revaluation reserve	11	23,500	-
Profit and loss account	11	392,895	311,307
<b>SHAREHOLDERS' FUNDS</b>	12	616,395	511,307

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on

2001

S J Jackson



Director



# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties. The company has taken advantage of the exemptions in FRS1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	evenly over the term of the lease
Fixtures and fittings	over 5 years
Computer equipment	over 3 to 4 years
Land and buildings	over 50 years
Contract equipment	over 1 year
Partnership equipment	over 1 year

### 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 revalued every five years with an interim valuation in year three.

### PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.



# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2001

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity which was carried out wholly in the UK.

2	OTHER OPERATING EXPENSES	2001 £	2000 £
	Administrative expenses	718,426	594,490
		<u>          </u>	<u>          </u>

3	INVESTMENT INCOME	2001 £	2000 £
	Interest receivable	35,671	18,903
		<u>          </u>	<u>          </u>

4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 £	2000 £
	Profit on ordinary activities before taxation is stated after charging: Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	owned assets	144,699	95,232
	Auditors' remuneration	7,746	7,670
		<u>          </u>	<u>          </u>

5	EMPLOYEES	2001 No.	2000 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Office and management	103	93
		<u>          </u>	<u>          </u>

		2001 £	2000 £
	Staff costs for the above persons:		
	Wages and salaries	1,580,939	1,383,103
	Social security costs	104,146	95,768
	Pension costs	88,521	79,727
		<u>          </u>	<u>          </u>
		1,773,605	1,558,598
		<u>          </u>	<u>          </u>

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2001

### 5 EMPLOYEES (*continued*)

DIRECTORS' REMUNERATION	2001 £	2000 £
Emoluments	49,252	48,447
Directors pension contributions under defined contribution schemes	2,880	2,827
Total emoluments	52,132	51,274

### 6 TAXATION

	2001 £	2000 £
Based on the profit for the year:		
UK Corporation tax on investment income at 20% (2000 - 21%)	7,754	3,971
UK Corporation tax over provision in earlier years	(263)	-
	7,491	3,971

### 7 TANGIBLE FIXED ASSETS

	<i>Land and buildings</i> £	<i>Leasehold improvements</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
Cost or valuation				
1 April 2000	40,000	35,006	471,123	546,129
Additions	-	13,665	148,104	161,769
Revaluation	23,500	-	-	23,500
31 March 2001	63,500	48,671	619,227	731,398
Depreciation				
1 April 2000	500	13,142	328,588	342,230
Charged in the year	500	12,064	132,135	144,699
31 March 2001	1,000	25,206	460,723	486,929
Net book value				
31 March 2001	62,500	23,465	158,504	244,469
31 March 2000	39,500	21,864	142,535	203,899

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2001

The freehold property was revalued by the directors at 31 March 2001 having regard to the professional revaluation 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, done on 23 April 2001, by Bowen Son and Watson, Chartered Surveyors.

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

On an historical cost basis these fixed assets would have been included at:

	Land and buildings	
	2001	2000
	£	£
Cost	40,000	40,000
Aggregate depreciation	1,000	500

Land and buildings are made up of freehold property.

8	DEBTORS	2001	2000
		£	£
	Due within one year		
	Trade debtors	620,126	338,425
	Other debtors	61,152	42,649
		681,278	381,074

Included in Trade Debtors is a figure of £241,700 agreed between the Education-Business Partnership national body and the Secretary of State as the portion of the Training and Enterprise Council accumulated funds available to continue EBP projects until future funding is decided.

9	CREDITORS: Amounts falling due within one year	2001	2000
		£	£
	Trade creditors	483,697	360,764
	Corporation tax	7,754	3,972
	Other taxation and social security costs	106,057	101,602
	Other creditors	5,558	38,142
	Accruals and deferred income	672,825	169,999
		1,275,891	674,479

Accruals and deferred income include the £241,700 referred to in note 8 because the final agreement has not been signed and no projects have been clearly identified until funding becomes certain.

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2001

10	SHARE CAPITAL			2001 £	2000 £
	Authorised, allotted, issued and fully paid 1,000 ordinary shares of £1 each			1,000	1,000
	Share capital consists entirely of equity interests.				
11	RESERVES	Share premium £	Revaluation £	Profit and loss £	Total £
	At 1 April 2001	199,000	-	311,307	510,307
	Surplus on revaluation of freehold property	-	23,500	-	23,500
	Profit for the year	-	-	81,588	81,588
	31 March 2001	199,000	23,500	392,895	615,395
12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS			2001 £	2000 £
	Profit for the financial year			81,588	59,336
	Surplus on revaluation of Land and Buildings			23,500	-
	Net addition to shareholders' funds			105,088	59,336
	Opening shareholders' funds			511,307	451,971
	Closing shareholders' funds			616,395	511,307
13	CAPITAL COMMITMENTS			2001 £	2000 £
	Capital expenditure contracted for but not provided in the financial statements			17,279	3,968

# The Shropshire and Telford & Wrekin Connexions Partnership Limited

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2001

## 14 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	2000 £
Land and buildings:		
expiring within 1 year	-	6,000
expiring between 2 and 5 years	35,842	22,580
expiring after 5 years	43,000	43,000
	<hr/>	<hr/>
	78,842	71,580
	<hr/>	<hr/>

## 15 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the benefit of all employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £88,521 (2000 - £79,727).

## 16 RELATED PARTIES

The company is controlled by Shropshire County Council (SCC) and Shropshire Chamber of Commerce Training and Enterprise Limited (SCCTE), each of which own 50% of the company's issued share capital. M J Lowe, R A M Belham and A B Robinson, directors of Shropshire Careers Service Limited are also directors of SCCTE.

During the year the company made payments to SCC totalling £85,981, in respect of consultancy, administrative and printing services. In addition, £308,318 is included in creditors at the year-end, representing payroll and accommodation costs due to SCC. During the year the company received payments for services totalling £29,633.

The company also received payments for services totalling £399,832 from SCCTE and made payments of £3,851. Included within debtors is an amount of £343,408 representing amounts due to the company at the year-end.