

Shropshire Careers Service Limited

FINANCIAL STATEMENTS

for the year ended

31 March 1999



Shropshire Careers Service Limited

DIRECTORS AND OFFICERS

DIRECTORS

S J Jackson	Chief Executive
M J Lowe	
C Adams	
R K Austin	
A G Whyte	
A B Robinson	
R A M Belham	
C G Trotman	

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
Scottish Life House
154 Great Charles Street
Birmingham B3 3HN

BANKERS

National Westminster Bank plc
8 Mardol Head
Shrewsbury
SY1 1HE

Shropshire Careers Service Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Shropshire Careers Service Limited for the year ended 31 March 1999.

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.

INTRODUCTION OF THE EURO

The directors believe that the introduction of the Euro will not have a significant impact upon the company's business activities. The additional cost of carrying out financial transactions is expected to be minimal.

YEAR 2000 COMPLIANCE

The directors have considered whether the company's operations could be adversely affected by malfunctions in computer and other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £76,221 (1998, as restated, £159,461). Details of the adjustments to the 1998 financial statements are disclosed in note 12.

DIRECTORS

The following directors have held office since 1 April 1998:-

S J Jackson	Chief Executive (appointed 1 June 1998)
M J Lowe	
C Adams	
R K Austin	
B Whitaker	(resigned 28 January 1999)
A G Whyte	
A B Robinson	
R A M Belham	
J M W Kenny	(appointed 30 April 1998 and resigned 20 October 1998)
A P Rosenthal	(resigned 30 April 1998)
C G Trotman	(appointed 28 January 1999)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

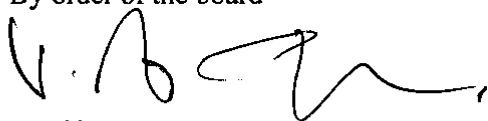
Shropshire Careers Service Limited

DIRECTORS' REPORT

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

A handwritten signature in black ink, appearing to be 'J A Clayton', written over a horizontal line.

J A Clayton
Secretary

1999

Shropshire Careers Service Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 SHROPSHIRE CAREERS SERVICE LIMITED

We have audited the financial statements on pages 6 to 14.

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.

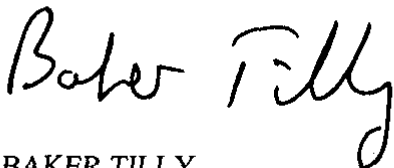
Basis of opinion

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 1999 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
Scottish Life House
154 Great Charles Street
Birmingham B3 3HN

15 July 1999

Shropshire Careers Service Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1999

	<i>Notes</i>	1999 £	1998 as restated (note 12) £
TURNOVER	1	2,178,926	2,076,146
Cost of sales		1,623,350	1,447,245
Gross profit		555,576	628,901
Other operating expenses (net)	2	501,319	489,124
OPERATING PROFIT		54,257	139,777
Investment income	3	27,836	24,883
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	82,093	164,660
Taxation	6	5,872	5,199
RETAINED PROFIT FOR THE YEAR	12	76,221	159,461

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

Shropshire Careers Service Limited
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 1999

	1999 £	1998 as restated (note 12) £
Profit for the financial year	76,221	159,461
Total recognised gains and losses relating to the year	76,221	159,461
Prior year adjustment	60,000	
Total recognised gains and losses since last annual report	136,221	

Shropshire Careers Service Limited

BALANCE SHEET

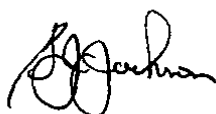
31 March 1999

	Notes	1999 £	1998 as restated (note 12) £
FIXED ASSETS			
Tangible assets	7	164,268	134,474
CURRENT ASSETS			
Debtors	8	235,039	253,391
Cash at bank and in hand		600,521	529,352
		835,560	782,743
CREDITORS: Amounts falling due within one year	9	547,857	541,467
NET CURRENT ASSETS		287,703	241,276
TOTAL ASSETS LESS CURRENT LIABILITIES		451,971	375,750
CAPITAL AND RESERVES			
Called up share capital	10	1,000	1,000
Share premium account	11	199,000	199,000
Profit and loss account	12	251,971	175,750
SHAREHOLDERS' FUNDS	13	451,971	375,750

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 15 July 1999

S J Jackson



Director

Shropshire Careers Service Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention. The company has taken advantage of the exemptions in Financial Reporting Standard No.1 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 other than freehold land 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

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. Unprovided deferred tax is disclosed as a contingent liability.

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.

Shropshire Careers Service Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

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 (NET)	1999 £	1998 as restated (note 12) £
	Administrative expenses	501,319	489,124

3	INVESTMENT INCOME	1999 £	1998 £
	Interest receivable	27,836	24,883

4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1999 £	1998 £
	Profit on ordinary activities before taxation is stated after charging: Depreciation and amounts written off tangible fixed assets: Charge for the year: owned assets	70,314	49,276
	Auditors' remuneration	4,700	5,500

5	EMPLOYEES	1999 No.	1998 No.
	The average monthly number of persons (including directors) employed by the company during the year was: Office and management	84	83

	1999 £	1998 £
Staff costs for the above persons:		
Wages and salaries	1,250,544	1,181,232
Social security costs	91,686	87,733
Pension costs	101,341	97,047
Other costs	-	480
	1,443,571	1,366,492

Shropshire Careers Service Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

5 EMPLOYEES (*continued*)

DIRECTORS' REMUNERATION	1999 £	1998 £
Emoluments	36,728	39,587
Directors pension contributions under defined contribution schemes	3,195	3,475
	<hr/>	<hr/>
Total emoluments	39,923	43,062
	<hr/>	<hr/>

6 TAXATION	1999 £	1998 £
Based on the profit for the year:		
UK Corporation tax on investment income at 21% (1998 - 21%)	5,846	5,199
UK Corporation tax underprovision in earlier years	26	-
	<hr/>	<hr/>
	5,872	5,199
	<hr/>	<hr/>

7 TANGIBLE FIXED ASSETS

	<i>Land and buildings</i> £	<i>Leasehold improvements</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
Cost				
1 April 1998	40,000	-	271,158	311,158
Additions	-	28,872	71,236	100,108
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 1999	40,000	28,872	342,394	411,266
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 April 1998	-	-	176,684	176,684
Charged in the year	-	5,835	64,479	70,314
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 1999	-	5,835	241,163	246,998
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
31 March 1999	40,000	23,037	101,231	164,268
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 1998	40,000	-	94,474	134,474
	<hr/>	<hr/>	<hr/>	<hr/>

Shropshire Careers Service Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

8	DEBTORS	1999 £	1998 £
	Due within one year		
	Trade debtors	203,341	238,620
	Other debtors	31,698	14,771
		<u>235,039</u>	<u>253,391</u>
9	CREDITORS: Amounts falling due within one year	1999 £	1998 as restated (note 12) £
	Trade creditors	308,711	307,561
	Other taxation and social security costs	107,545	103,792
	Other creditors	131,601	130,114
		<u>547,857</u>	<u>541,467</u>
10	SHARE CAPITAL	1999 £	1998 £
	Authorised 1,000 ordinary shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	Allotted, issued and fully paid 1,000 ordinary shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	Share capital consists entirely of equity interests.		
11	SHARE PREMIUM ACCOUNT	1999 £	1998 £
	1 April 1998 and 31 March 1999	199,000	199,000
		<u>199,000</u>	<u>199,000</u>

Shropshire Careers Service Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

12	PROFIT AND LOSS ACCOUNT	1999 £	1998 £
	1 April as previously stated	115,750	(23,711)
	Prior year adjustment	60,000	40,000
		<hr/>	<hr/>
	1 April restated	175,750	16,289
	Profit for the year (as restated)	76,221	159,461
		<hr/>	<hr/>
		251,971	175,750
		<hr/>	<hr/>

The results for the year ended 31 March 1998 have been restated to eliminate a general provision for potential redundancy costs. The change has been dealt with as a prior year adjustment in accordance with Financial Reporting Standard 3, Reporting Financial Performance. A provision of £40,000 was originally created in the year ended 31 March 1997 and increased to £60,000 in the year ended 31 March 1998. This provision does not comply with the recently introduced Financial Reporting Standard 12 'Provisions, Contingent Liabilities and Contingent Assets' ("FRS12"), and therefore the directors have taken this earliest opportunity to eliminate the provision. This constitutes a change in accounting policy, all provisions are now made in accordance with the requirements of FRS12.

The effect of the restatement on the previously reported results for the year ended 31 March 1998, is as follows:-

	£
Retained profit for the year as published	139,461
Effect of restatement	20,000
	<hr/>
Restated retained profit for the financial year	159,461
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There is no effect on the results for the year ended 31 March 1999.

13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1999 £	1998 as restated (note 12) £
	Profit for the financial year and net addition to shareholders' funds	76,221	159,461
	Opening shareholders' funds (1998 originally £176,289, before adding prior period adjustment of £40,000)	375,750	216,289
		<hr/>	<hr/>
	Closing shareholders' funds	451,971	375,750
		<hr/>	<hr/>

Shropshire Careers Service Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

14	CAPITAL COMMITMENTS	1999	1998
		£	£
	Capital expenditure contracted for but not provided in the financial statements	14,999	34,475

15 COMMITMENTS UNDER OPERATING LEASES

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999	1998
	£	£
Plant and machinery:		
expiring within 1 year	3,750	4,000
expiring between 2 and 5 years	29,514	26,886
expiring after 5 years	43,000	30,000
	76,264	60,886

16 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 £101,341 (1998 - £97,047).

17 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 £87,684, in respect of consultancy, administrative and printing services. In addition, £270,124, is included in creditors at the year end, representing payroll and accommodation costs due to SCC.

The company also received payments for services totalling £222,861 from SCCTE and included within debtors is an amount of £40,788, representing amounts due to the company at the year end.

The company has an interest free loan from SCCTE of £15,000 repayable on 31 March 1999, which is included in other creditors.

Shropshire Careers Service Limited
MANAGEMENT AND PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1999

	1999	1998 as restated (note 12)
	£	£
Turnover		
Department of Education and Employment	1,843,226	1,756,419
Shropshire Training and Enterprise Council Limited	222,861	243,076
Other	112,839	76,651
	<u>2,178,926</u>	<u>2,076,146</u>
Cost of Sales		
Wages and salaries	1,261,031	1,176,138
Training	64,758	28,603
Printing, stationery and telephone	121,777	78,681
Consultancy	73,973	55,811
Travel and subsistence	71,652	71,196
Computer maintenance	30,159	36,816
	<u>1,623,350</u>	<u>1,447,245</u>
Gross profit	555,576	628,901
Administrative expenses	501,319	489,124
Profit before interest	54,257	139,777
Interest receivable		
Bank deposit interest	27,836	24,883
Profit before taxation	<u>82,093</u>	<u>164,660</u>

Shropshire Careers Service Limited
MANAGEMENT AND PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1999

	1999	1998 as restated (note 12)
	£	£
ANALYSIS OF EXPENSES		
Administrative Expenses		
Directors remuneration	36,728	39,587
Directors' employers national insurance	3,082	3,420
Directors' pension costs	3,195	3,476
Wages and salaries	139,535	143,871
Rent and rates	83,515	96,381
Light, heat and power	13,495	11,895
Telephone	21,539	17,952
Advertising and promotion	12,836	12,070
Insurance	1,436	13,990
Legal and professional fees	6,656	951
Auditors' remuneration	4,700	5,500
Accountancy and payroll administration	2,850	5,573
Repairs to premises	23,912	7,500
Cleaning	16,081	15,812
Bank charges	388	125
Subscriptions and donations	4,165	2,774
Recruitment	543	19,945
Consumables	15,435	12,279
Computer maintenance	34,822	23,499
Sundry expenses	3,592	3,248
Depreciation	70,314	49,276
Provision for bad debts	2,500	-
	<hr/>	<hr/>
	501,319	489,124
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