

SHROPSHIRE CAREERS SERVICE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

Company No. 2993054



SHROPSHIRE CAREERS SERVICE LIMITED

COMPANY INFORMATION

Directors

S T Jury
M J Lowe
C Adams
T Chadwick
D W Woodvine
M B Edbrooke
A P Rosenthal
R K Austin
B Whitaker

Secretary

S J Davies

Company Number

2993054

Registered Office

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

Auditors

Sayers Butterworth
18 Bentinck Street
London
W1M 5RL

Bankers

National Westminster Bank Plc
8 Mardol Head
Shrewsbury
SY1 1HE

SHROPSHIRE CAREERS SERVICE LIMITED

CONTENTS

	Page
Directors' Report	1 to 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6 to 10

SHROPSHIRE CAREERS SERVICE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

The directors present their report together with the audited accounts for the year ended 31st March 1997.

Principal Activities and Review of Business

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

The results for the year are set out on page 4.

The directors consider the state of the company's affairs to be satisfactory.

Dividends

In accordance with the provisions of its Articles of Association the company may not declare or pay dividends. The retained loss of £18,585 will be deducted from reserves.

Directors

The directors who served during the year were:

S T Jury
M J Lowe
C Adams
T Chadwick
D W Woodvine
M B Edbrooke
A P Rosenthal
R K Austin
B Whitaker - appointed 21st April 1997

On 6th February 1997, M J Owen resigned as a director.

SHROPSHIRE CAREERS SERVICE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the loss for that year. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 the accounts 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

- ∓ The Auditors, Sayers Butterworth, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.
- ∓ This report was approved by the board on 22nd July 1997 and signed on its behalf.



S J Davies
Secretary

AUDITORS' REPORT TO THE MEMBERS OF SHROPSHIRE CAREERS SERVICE LIMITED

We have audited the accounts on pages 4 to 10, which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

Respective Responsibilities of the Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

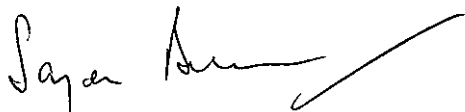
Basis of Opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sayers Butterworth
Chartered Accountants
and Registered Auditors
18 Bentinck Street
London
W1M 5RL

DATE: 24th July 1997

SHROPSHIRE CAREERS SERVICE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	Notes	1997 £	1996 £
Turnover	2	1,965,779	1,808,369
Cost of sales		(1,478,084)	(1,418,512)
Gross Profit		487,695	389,857
Administrative expenses		(516,987)	(396,241)
Operating Loss	3	(29,292)	(6,384)
Interest receivable		14,502	1,258
Loss on Ordinary Activities before Taxation		(14,790)	(5,126)
Tax on loss on ordinary activities	5	(3,795)	-
Loss for the Financial Year		(18,585)	(5,126)
Retained Loss Brought Forward		(5,126)	-
Retained Loss Carried Forward		(23,711)	(5,126)

All amounts relate to continuing activities.

There were no recognised gains and losses for 1997 or 1996 other than those included in the profit and loss account.

The notes on pages 6 to 10 form part of these accounts.

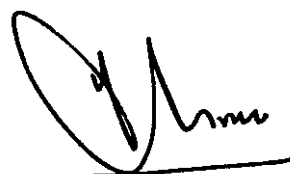
SHROPSHIRE CAREERS SERVICE LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1997

	Notes	1997 £	1996 £
Fixed Assets			
Tangible assets	6	152,853	178,065
Current Assets			
Debtors and prepayments	7	165,918	178,164
Cash at bank and in hand		519,473	76,891
		<u>685,391</u>	<u>255,055</u>
Creditors: Amounts falling due within one year	8	<u>(646,955)</u>	<u>(238,246)</u>
Net Current Assets		<u>38,436</u>	<u>16,809</u>
Total Assets Less Current Liabilities		<u>191,289</u>	<u>194,874</u>
Creditors: Amounts falling due after more than one year	9	<u>(15,000)</u>	<u>-</u>
		<u>176,289</u>	<u>194,874</u>
Capital and Reserves			
Share capital - equity	10	1,000	1,000
Share premium account	11	199,000	199,000
Profit and loss account	11	(23,711)	(5,126)
Shareholders' Funds	12	<u>176,289</u>	<u>194,874</u>

These accounts were approved by the board on 22nd July 1997 and signed on its behalf.


 M J Lowe
 Director

SHROPSHIRE CAREERS SERVICE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT.

Depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Furniture and equipment - 20% per annum
Computer hardware - 25 % per annum
Computer software - 33 1/3% per annum

Contribution to Pension Funds

The company makes contributions on behalf of its employees to the Shropshire County Council Pension Fund, a defined benefits scheme.

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll.

2 Turnover

The turnover and operating loss for the year was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Loss

The operating loss is stated after charging :

	1997	1996
	£	£
Depreciation	63,052	42,651
Exceptional item: write down of value of fixed assets	32,900	-
Auditors' remuneration	6,500	6,500
Loss on sale of fixed assets	16,296	-

SHROPSHIRE CAREERS SERVICE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

4 Directors and Employees

Staff costs, including director's remuneration, were as follows:

	1997	1996
	£	£
Wages and salaries	1,164,852	1,125,905
Social security costs	88,455	82,889
Pension costs	95,958	98,628
Other costs	37,482	10,792
	<u>1,386,747</u>	<u>1,318,214</u>

Director's remuneration

	1997	1996
	£	£
Director's remuneration	38,752	31,254
Director's national insurance contributions	3,396	2,738
Pension costs	3,371	2,969
Other costs	-	7,974
	<u>45,519</u>	<u>44,935</u>

The Director's Remuneration relates solely to the salary of the Chief Executive. None of the other directors received any remuneration.

5 Taxation

	1997	1996
	£	£
UK current year taxation		
U.K. Corporation tax on Investment Income at 24%	<u>3,795</u>	<u>-</u>

SHROPSHIRE CAREERS SERVICE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

6 Tangible Fixed Assets

	Freehold Land and Buildings	Furniture and Equipment	Computer Equipment	Total
	£	£	£	£
Cost				
At 1st April 1996	40,000	50,564	130,152	220,716
Additions	-	52,646	35,390	88,036
Disposals	-	(28,492)	-	(28,492)
At 31st March 1997	40,000	74,718	165,542	280,260
Depreciation				
At 1st April 1996	-	10,113	32,538	42,651
Charge for the year	-	20,442	42,611	63,053
Disposals	-	(11,197)	-	(11,197)
Write down in year	-	-	32,900	32,900
At 31st March 1997	-	19,358	108,049	127,407
Net Book Value				
At 31st March 1997	40,000	55,360	57,493	152,853
<i>At 31st March 1996</i>	<i>40,000</i>	<i>40,451</i>	<i>97,614</i>	<i>178,065</i>

7 Debtors	1997 £	1996 £
Trade debtors	161,106	146,578
Other debtors	-	7,923
Prepayments and accrued income	4,812	23,663
	165,918	178,164

8 Creditors: Amounts Falling Due Within One Year	1997 £	1996 £
Bank loans and overdrafts	138,312	-
Trade creditors	237,939	117,681
Corporation tax	3,795	-
Other taxes and social security	116,876	34,420
Other creditors	9,584	9,538
Accruals and deferred income	140,449	76,607
	646,955	238,246

SHROPSHIRE CAREERS SERVICE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

9	Creditors: Amounts Falling Due After One Year	1997	1996
		£	£
	Loans	<u>15,000</u>	<u>-</u>
10	Share Capital	1997	1996
		£	£
	Equity Shares		
	Authorised ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Issued and fully paid ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
11	Share Premium Account and Reserves		
		Share Premium Account	Profit and Loss Account
		£	£
	At 1st April 1996	199,000	(5,126)
	Loss for the year	-	(18,585)
	At 31st March 1997	<u>199,000</u>	<u>(23,711)</u>
12	Reconciliation of Shareholders Funds	1997	1996
		£	£
	Loss for the financial year	<u>(18,585)</u>	<u>(5,126)</u>
	Decrease in the shareholders' funds	<u>(18,585)</u>	<u>(5,126)</u>
	Opening shareholders' funds	<u>194,874</u>	<u>200,000</u>
	Closing shareholders' funds	<u>176,289</u>	<u>194,874</u>
13	Operating Lease Commitments	1997	1996
		£	£
	The company had operating lease commitments in respect of leasehold properties as follows:		
	Within one year	-	18,500
	Between two and five years	13,000	29,500
	After five years	<u>30,000</u>	<u>-</u>
		<u>43,000</u>	<u>48,000</u>

SHROPSHIRE CAREERS SERVICE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

14 Capital Commitments

The company had the following capital commitments:

Capital expenditure contracted for

1997	1996
£	£
-	18,325

15 Related Party Transactions

Control

The company is controlled by Shropshire County Council (SCC) and Shropshire Chamber of Commerce Training and Enterprise Limited (SCCTE), each of whom own 50% (1996: 50%) of the company's issued share capital. S T Jury, M J Lowe, T Chadwick and B Whitaker, all directors of Shropshire Career Services Limited, are also directors of SCCTE.

Transactions

During the year the company received grants of £37,300 from SCC and made payments to SCC totalling £96,797, in respect of administrative and printing services. In addition, an amount of £294,075 is included in Creditors at the year end, representing payroll and accommodation costs due to SCC.

The company also received payments for services totalling £234,203 from SCCTE and included within Debtors is an amount of £46,769 representing amounts due to the company at the year end.

The company received an interest free loan from SCCTE of £15,000 repayable on 31st March 1999 (See Note 9).