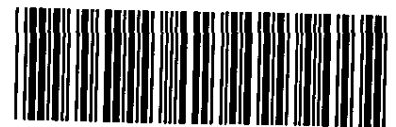


**PEOPLE 1ST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**PEOPLE 1ST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2011**

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## **PEOPLE 1ST**

### **REFERENCE AND ADMINISTRATION DETAILS**

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#### **BOARD OF TRUSTEES**

The following are Trustees at the date of this report

David Fairhurst (Non-Executive Chair)  
Natahe Bickford (Vice-Chair)  
John McEwan (Vice-Chair)  
Richard Carrick  
Andrew Chivers  
Nick Howe  
Robin Mills  
Stephen Moss CBE  
Richard Parry  
Charles Prew  
Louise Smalley

#### **MEMBERS**

On adoption of the new Memorandum and Articles of Association on 5 September 2011, two Council of Members (Council of Members for Hospitality and Leisure and Council of Members for Passenger Transport, Travel and Tourism) and two classes of Members were constituted

##### **Voting Members**

- a Maximum of 40 Voting Members, for the Hospitality and Leisure industries of which no less than 67% must be nominees or representative of the employers within the sector, and
- b Maximum of 30 Voting Members, for the Passenger Transport, Travel and Tourism industries of which no less than 67% must be nominees or representative of the employers within the sector

All Voting Member appointments must be approved by the nominations committee as having sufficient knowledge or experience of the sector and / or nation they are representing to advance the objects of the Company

##### **Non-Voting Members**

Maximum of 10 Non-Voting Members on each Members Council Non-Voting Members being individuals who are considered by the Trustees as having any relevant knowledge or experience to be able to advance the objects of the Company in any manner whatsoever

A full list of Members can be obtained by visiting [www.people1st.co.uk/about-us/our-people/council-of-members](http://www.people1st.co.uk/about-us/our-people/council-of-members) or writing to the Company Secretary, People 1st, 2nd Floor Armstrong House, 38 Market Square, Uxbridge, UB8 1LH

#### **NOMINATIONS COMMITTEE**

The Nominations Committee is established by the Voting Members and comprises the Chairman of the Trustees, two Voting Members of the Hospitality Leisure members council (who are not themselves Trustees) and one Voting Member of the Passenger Transport, Travel and Tourism members council (who is themselves not a trustee)

The role of the Nominations Committee is to

- Advise Trustees on the appointment of a new Trustee A Trustee appointed during the year must retire and stand for re-election by the Members at the AGM
- Approve appointment of Voting Members
- Ratify a resolution of the Trustees that removes any member from Membership of the Charity

## **PEOPLE 1ST**

### **REFERENCE AND ADMINISTRATION DETAILS**

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#### **REGISTERED OFFICE**

2nd Floor  
Armstrong House  
38 Market Square  
Uxbridge UB8 1LH

#### **AUDITORS**

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

#### **BANKERS**

Barclays Bank Plc  
Park Royal Business Centre  
36-38 Park Royal Road  
London NW10 7JA

#### **SOLICITORS**

Darbys  
52 New Inn Hall Street  
Oxford OX1 2QD

#### **COMPANY SECRETARY**

Simon C V Tarr ACA

#### **EXECUTIVE MANAGEMENT TEAM**

David Fairhurst	Non-Executive Chairman
Brian Wisdom	Chief Executive Officer
Simon C V Tarr	Chief Operating Officer

#### **CONSTITUTION**

People 1<sup>st</sup> is a registered charity and a company limited by guarantee registered in England. It is governed by its Memorandum and Articles of Association.

**CHARITY REGISTRATION NUMBER 1001041**

**COMPANY REGISTRATION NUMBER 2557730**

## **PEOPLE 1ST**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

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The Trustees present their annual report and the audited financial statements for the year ended 31 March 2011. The financial statements comply with all statutory requirements and the requirements of the Charity's governing document.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

People 1st is a charitable company limited by guarantee. Its structure at the date of this report is as follows:

- Two Council of Members
  - One representative of the industries and 4 nations within the Hospitality and Leisure footprint, namely, Restaurants, Hospitality Services, Pubs, Bars and Nightclubs, Hotels, Food and Service Management, Gambling, Self-catering Accommodation, Holiday Parks and Hostels, Events
  - One representative of the industries and 4 nations within the Passenger Transport, Travel and Tourism footprint, namely, Aviation, Bus, Coach, Taxi and Private Hire, Community Transport, Rail, Light Rail/Tram, Driver, Training, Transport Planning, UK Waterways, Visitor attractions, Tourism Services, Travel Services
- A Trustee Board with the ultimate responsibility for directing the affairs of People 1st and ensuring that it is solvent, well-run and delivering in line with its Objects
- Executive Board responsible for the day-to-day work and management of the Company

#### **The Council of Members**

Charged with the remit of representing the interests of employers and employees from across the hospitality, leisure, passenger transport, travel and tourism sector and thereby ensuring that People 1st delivers what industry demands.

Maintaining industry involvement is crucial in ensuring that the Company's work remains truly employer-led. People 1st is committed to the on-going engagement of employers through its research, industry advisory panels and regular communications.

#### **Responsibility of voting and non-voting Members**

- To represent the four nations and the industries within the sector and in the case of each individual voting member to represent their own nation/region and industry
- To be "ambassadors" for the Company and promote its good interests
- To encourage the Stakeholders they represent to support People 1st
- To constitute an advisory Board and make non-binding representations to the Trustees. They are to guide the Trustees on what they consider to be the Employers' requirements (whose interests they represent) for training and skills in accordance with the company's Objects.

#### **The Board of Trustees**

Experienced executives elected by the Council of Members, responsible for overseeing the overall performance of the business and ensuring that the Charity's governance is of the highest possible standard.

#### **Responsibility**

- To ensure that the Company complies with its statutory obligations under the Companies Act and the Charity Act
- To ensure that the Company fulfils its objectives as set out in its Memorandum.
- To review and set corporate governance
- To advise and oversee the Executive
- To decide on any delegation of power to sub-committees.
- To set the limits of authority for the Executive

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

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#### **The Executive**

Empowered by the Trustees to make day-to-day decisions

##### **Responsibility**

- Day to day running of the business
- To advise the Trustees and liaise with the Trustees in any failure to comply with corporate governance or statutory requirements
- To advise the Trustees of the financial position of the business at quarterly meetings with the Trustees
- To deliver the corporate strategy as determined and approved by the Trustees

#### **TRUSTEE APPOINTMENTS**

Trustees are appointed independently of any other organisation and based on the needs of the Charity. The Charity undertakes a review of the skills and knowledge of Trustees on a regular basis to identify any gaps against the requirements of the Charity. This information is used to target the recruitment of new Trustees as needs arise. Recruitment is planned either to fill vacancies which arise through Trustees retiring or to appoint new Trustees with particular skill sets.

Trustee appointments and resignations during the year, and since the year end, were as follows

Andrew Chivers (appointed 4/07/2011)

John McEwan (appointed 28/01/11)

Richard Parry (appointed 05/09/2011)

Nick Varney (resigned 17/11/2010)

#### **TRUSTEE TRAINING – INDUCTION AND UPDATING KNOWLEDGE**

All new Trustees undertake an induction program shortly after becoming a Trustee. The aim of this induction is to introduce the new Trustees to the People 1st business, its operation and its governance arrangements. It also includes briefings on both company and charity law to the extent required by the individual Trustee. Prior to appointment, new Trustees are issued with copies of all key documentation. Periodically Trustees are asked to review their knowledge and experience and a training and development programme is devised for the relevant Trustees based on their particular needs.

'Board champions' have been allocated to each key strategic area of work - including customer service, Women 1st, communications, apprenticeships, finance and People 1st's commercial product range – with every board member providing project sponsorship for one of these areas.

#### **RISK MANAGEMENT**

People 1st regularly (at least once a year) reviews its exposure to risk by performing a risk assessment exercise in the following areas: Business, IT, Emergencies, Human Resources, Quality Compliance and Finance. The Trustees have taken steps to ensure that any major risks identified through the risk assessment are mitigated by having the appropriate systems, processes and controls in place.

#### **EQUAL OPPORTUNITIES**

People 1st is an equal opportunities employer and will ensure that no job applicant or employee receives less favourable treatment on grounds of sex, marital status, sexual orientation, disability, age, race, religion, colour, ethnic or national origin, or convictions which have been spent under the Rehabilitation of Offenders Act.

Selection criteria and procedures are regularly reviewed to ensure that individuals are selected, inducted, developed, promoted, communicated with and treated on their relevant merits and abilities.

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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#### **HEALTH AND SAFETY AT WORK**

It is the policy of the Charity that its operations are executed at all times in such a way as to ensure, as far as is reasonable, safe and healthy working conditions, equipment and systems of work for all employees and visitors to People 1st's premises. As part of People 1st's health and safety procedures, there is a Health and Safety Handbook for office-based employees and one specifically for home-based employees.

#### **INVESTMENT POWERS AND POLICY**

The Trustees are empowered to invest any monies authorised by law for the investment of trust monies as they see fit.

The Board has taken the prudent approach of depositing cash reserves on long term deposit rather than investing in bonds or in shares.

Given the current financial environment the Trustees have continued to diversify risk by continuing to deposit the Group's cash assets across three banks.

As at 31 March 2011 monies on deposit were as follows:

- Close Brothers Limited £ 2,642,196 on fixed or either 11 or 12 months' notice on call
- Barclays Bank £ 1,096,414
- Bank of Scotland £ 152,142 on short term deposit (1 to 6 months' notice)

#### **OBJECTS AND PRINCIPAL ACTIVITIES**

Following the Company's merger with GoSkills on 4<sup>th</sup> July 2011, People 1<sup>st</sup> became the Sector Skills Council (SSC) for the industries within the hospitality, leisure, passenger transport, travel and tourism (HPTTT) sector (prior to the merger having responsibility for only hospitality, leisure, travel and tourism).

The objects of the Charity, as stated in its Memorandum of Association, are to promote and advance for the public benefit the education and training of persons employed or intending to be employed in the hospitality, leisure, passenger transport, travel and tourism industries, as well as to undertake and promote useful research into any matters relating to training for employment in the sector and to publish and disseminate any useful results of such research for the public benefit.

The Trustees continue to have regard to the guidance of the Charity Commission in ensuring that the charity's objectives continue to be for the public benefit.

##### The Vision for the Sector

The hospitality, leisure, passenger transport, travel and tourism industries deliver world class customer experience and productivity through their skilled people."

##### The Vision for People 1st

To be financially self-sustaining and recognised as leading by example and as the informed, impartial and inspirational skills body responsible for:

- raising the demand for and investment in skills by our sector
- improving the recruitment, retention and development of the people working in our sector
- maximising the return on public investment in building the skills of our sector

##### People 1st Mission

To support the hospitality, leisure, passenger transport, travel and tourism sector in developing the right numbers of people with the right skills and qualifications at the right time.

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

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##### People 1st Core Purpose

The core purpose of People 1<sup>st</sup> as a registered charity is to transform the skills and professional image of the hospitality, passenger transport, travel and tourism sector by.

- Ensuring that public funds are focused on qualifications and training programmes that are needed and respected by the industry
- Developing world class training programmes where there are gaps in the market
- Raising employer ambition and investment in skills
- Facilitating the attraction and matching of skilled workers and good employers
- Building the self-esteem and loyalty of the workforce

This will lead to world class customer service and employee engagement and retention



## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

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### **ACHIEVEMENTS AND PERFORMANCE**

In July 2011, People 1<sup>st</sup> we led the consolidation of sector skills councils, merging with GoSkills, the sector skills council for passenger transport to create a unified body for hospitality, leisure, passenger transport, travel and tourism

This report focuses on our activities on behalf of hospitality, leisure, tourism and travel in 2010 / 2011. All our activities are underpinned by a robust long-term strategy, aligning employer needs with national interest, whilst ensuring a sustainable economic future for our organisation

The focus of this year has been to prepare the organisation for the changes in funding structures from grants to competitive bids whilst increasing the income generating activities which supports the mission of People 1<sup>st</sup>

### **SECTOR SKILLS COUNCIL**

Activities of People 1st during the year reflected the long-term strategic objectives

- 1 Helping people back to work
- 2 Accelerating social mobility
- 3 Making the UK's welcome even warmer
- 4 Professionalising the workforce
- 5 Increasing business investment in skills and reducing public expenditure

### **Overview of successes April 2010 - March 2011**

#### **April 2010**

- People 1<sup>st</sup> publishes its ethnic chefs strategy
- The National Skills Academy for Hospitality extends its Disney Institute programme for 2010
- People 1<sup>st</sup> publishes 2010 Labour Market Review of the Events Industry

#### **May 2010**

- People 1<sup>st</sup> launches State of the Nation 2010 at the Royal Society of Arts
- People 1<sup>st</sup> hosts workshop for businesses in London and Newport preparing for the 2012 Olympics and 2010 Ryder Cup, featuring speakers involved in the 2010 Vancouver Winter Olympics
- Compass Junior Chefs' Academy programme in Northern Ireland wins Janus Award for Training Initiative of the Year

#### **June 2010**

- People 1<sup>st</sup> highlights subsidised leadership and management training available to SMEs in the hospitality, leisure, travel and tourism sector
- People 1<sup>st</sup> is highly commended at the Charity Awards 2010 for the Professional Cookery Diploma
- People 1<sup>st</sup> secures additional funding to increase the number of learners on the Pathways to Apprenticeships programme in Wales

#### **July 2010**

- National Skills Academy for Hospitality presents inaugural Hospitality Benchmark awards following a 12-month survey

#### **August 2010**

- People 1<sup>st</sup> launches new framework for the Apprenticeship in Travel Services
- People 1<sup>st</sup> releases new training materials for the Employment 1<sup>st</sup> programme

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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#### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

- People 1<sup>st</sup> launches the Female Chefs' Development programme at the Dorchester, with the support of Michelin-starred chef Michael Caines
- People 1<sup>st</sup> secures £1 million from the Welsh Assembly Government to pilot a range of initiatives for the sector across Wales

#### **September 2010**

- People 1<sup>st</sup> launches new framework for the Apprenticeship in Hospitality and Catering
- Figures show that over half of chef students across the UK are now taking the Professional Cookery Diploma

#### **October 2010**

- People 1<sup>st</sup> shortlisted for a National Training Award in Northern Ireland for the Compass Junior Chefs' Academy

#### **November 2010**

- Women 1<sup>st</sup> 'Case for Change' research launched Nominations open for Women 1<sup>st</sup> Top 100 and Shine Awards
- WorldHost suite of programmes launched in the UK

#### **December 2010**

- One-day workshop for travel and tourism lecturers at Cardiff Airport to encourage uptake of travel and tourism qualifications

#### **January 2011**

- Chief executive, Brian Wisdom named as one of the 20 most influential people in public sector catering by Cost Sector Catering

#### **February 2011**

- Apprenticeship strategy launched at House of Commons
- People 1<sup>st</sup> Training Company launched
- Customer service masterclass in Derry in preparation for UK Capital of Culture in 2013

#### **March 2011**

- Over 200 attend the Women 1<sup>st</sup> Top 100 and Shine Awards held at Savoy, London
- Updated UKSP site goes live
- Welsh Assembly Minister awards certificates to staff at the first hotel in Wales to undergo WorldHost training
- People 1<sup>st</sup> is ranked in the Top 100 Best Places to Work in the Public and Charity Sectors listing

#### **Summary of Key activities**

##### **1) Helping people back to work**

Despite the prevailing economic climate, the hospitality, leisure, travel and tourism sector has continued to grow, and is one of very few sectors actively recruiting. With unemployment in the UK reaching record numbers, our industries are well-placed to help people back to work, and People 1<sup>st</sup> is committed to supporting our employers, the Government, and the UK economy, on this agenda.

We have developed and introduced Employment 1st – a pre-employment training programme which prepares people seeking their first job in the sector and puts them in contact with employers.

## ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

In the past two years, more than 2,200 people have gone through the programme. It is delivered in a consistent way in colleges across the UK, thereby addressing employer concerns about the inconsistency of former programmes for those on unemployment benefits. The programme aims to produce work-ready individuals with the skills required to undertake entry-level jobs, and reflects the skills, knowledge and behaviours that employers expect from their staff. It includes a strong emphasis on customer service, the legal minimum food safety (where relevant) and health and safety requirements.

### *Employment 1<sup>st</sup> – key achievements in 2010/11:*

- Trained 500 people through the programme
- Awarded the 2012 Inspire mark by LOCOG (the London Organising Committee for the Olympic and Paralympic Games), which recognises the programme's role in contributing to the legacy themes of the Games
- Partnership launched with BIIAB, the awarding arm of the professional body for the licensed retail sector, which will see Employment 1<sup>st</sup> being delivered through its 600 training centres

To find out more about the Employment 1<sup>st</sup> programme, visit [www.people1sttraining.co.uk](http://www.people1sttraining.co.uk)

## **2) Accelerating social mobility**

### **Women 1<sup>st</sup> – Empowering The Female Leaders Of Tomorrow**

Retaining female talent is a major issue for hospitality, leisure, travel and tourism businesses. Research has indicated that 310,000 women leave the industry each year, costing businesses £2.8 billion in associated costs, while only six percent of board-level directors are female.

The Women 1<sup>st</sup> programme, launched in England in 2009, provides subsidised mentoring and personalised training to support the sector's brightest female managers to fulfil their potential, with a long-term aim to improve the gender balance in the top two tiers of businesses in our sector.

In May 2010, research conducted by the UK Commission for Employment and Skills (UKCES) found that nine out of ten participants on the Women 1<sup>st</sup> programme had improved their skills and confidence in the workplace. UKCES also found that just over half of the employers taking part in the programme planned to take proactive steps to ensure a greater proportion of women reach management positions.

Officially launched in September 2010 by Michael Caines MBE – one of Britain's most accomplished Michelin-starred chefs – the Female Chefs' Development programme is the latest addition to the Women 1<sup>st</sup> portfolio. State of the Nation 2010 revealed that almost two-thirds (61 percent) of chefs are male – a percentage that significantly increases within fine dining restaurants. To address this, the new programme will develop, design and deliver bespoke chef training for women, helping them to move from the areas that they currently work in to more skilled positions.

A 'Top 100' list and annual awards ceremony for women in hospitality, leisure, travel and tourism has also been established. This aims to celebrate and heighten the awareness and profile of women who have succeeded in developing their careers. The award and nomination process, launched in November 2010, were celebrated with an awards ceremony, and announcement of the 'Top 100' list, hosted by Gaby Roslin at the Savoy in March 2011.

### *Women 1<sup>st</sup> – key achievements in 2010/11*

- 270 women successfully completed their Women 1<sup>st</sup> training, bringing the total number trained to 400
- Government funding for a further 300 subsidised Women 1<sup>st</sup> places until March 2012 obtained - 200 already enrolled
- Programme extended to cover Northern Ireland, Scotland and Wales
- 92 percent of women undertaking the programme report that it has improved their confidence, while a third have been promoted or taken on extra responsibility as a result of their training

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

**3) Making the UK's welcome even warmer**

**WorldHost**

Providing world-class training is imperative if we are to transform our national welcome. This is why People 1<sup>st</sup> conducted extensive global research into best practice in customer service, and identified a world-class solution – WorldHost.

WorldHost has been used to train over one million people worldwide, and its four programmes cover the most important elements of any tourism strategy. It was developed in Canada, which is both perceived and recognised by the Nation Brands Index as the leading global destination for visitor welcome, and provides a gold-standard in training where front-line service is crucial to success.

It is also the only customer service programme to have been used at a recent world-class event on the scale of the summer Olympics – 39,000 tourism staff and volunteers received WorldHost training in the run-up to the 2010 Vancouver Winter Olympic and Paralympic Games.

We obtained the UK licence for WorldHost in 2010, and are committed not only to the quality of the programme's content, but to the quality of its delivery. It is the only customer service programme that comes with quality assured trainers, licensed to deliver the programme and assessed on their ability to deliver top-class training.

There are four WorldHost programmes available, each of which has been customised for use within UK businesses:

- Principles of Customer Service
- Service Across Cultures
- Customers With Disabilities
- Ambassador Workshop

***WorldHost – Key achievements in 2010/11***

- Launched programme at Institute of Directors with support of Paralympic gold-medallist
- Delivered two workshops 'Learning from the success of the Vancouver Winter Olympics' – for businesses with an interest in preparing for the Olympics and beyond
- Trained 130 trainers to deliver WorldHost programmes
- Hosted ministerial launches in both Scotland and Wales
- Awarded the 2012 Inspire mark by LOCOG (the London Organising Committee for the Olympic and Paralympic Games), which recognises the programme's role in contributing to the legacy themes of the Games
- Working with LOCOG to develop the WorldHost programme for London 2012, where the programme will be offered to tens of thousands of employees and contractors' staff working at the Games
- Obtained Government funding in Wales to offer WorldHost at a subsidised rate to the first 1,500 delegates
- Launched new WorldHost consumer website

Further information on the suite of WorldHost programmes can be obtained at [www.worldhost.uk.com](http://www.worldhost.uk.com)

**Customer Service Qualifications**

Between January and March 2011, People 1st provided 1,000 free customer service training courses for businesses across London. Employers that benefited from the funded qualifications included catering company, Restaurant Associates, which reported a 10 per cent increase in sales and a change in its staff's attitude towards qualifications and training. Delaware North, which provides the catering service at Wembley Stadium and the Emirates Stadium, also reported that one of its managers increased sales by 50 per cent at one of its match day bars following the training.

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

The delivery of the 1,000 free qualifications in London was funded through the Sector Compact – an agreement between People 1st and the government to help employers access Train to Gain funding more easily

People 1<sup>st</sup> has also developed and introduced two customer service qualifications – the Level 2 Award in the Principles of Customer Service in Hospitality, Leisure, Travel and Tourism (HLTT) and an extended award

These can be used as individual awards, or can count towards wider programmes, such as apprenticeships. The qualifications are underpinned by the WorldHost customer service and National Skills Academy Worlds Class Customer Service training programmes. When they are used as part of the programme, delegates can achieve a nationally-recognised award, giving them transferable customer service skills recognised by employers.

**4) Professionalising the workforce**

To help reduce the skills deficit across the sector, People 1st is working to ensure that robust qualifications and training programmes which meet the needs of employers are available across the UK.

**Compass Junior Chefs' Academy**

Compass Group UK and Ireland has a two year funding pledge running through to June 2012 to support the Junior Chefs' Academy programme in Northern Ireland.

The ten-week programme provides a fun-filled, hands-on introduction to cooking as a career, and is supported by chefs from across the industry. It also acts as a stepping stone to professional cookery courses for those inspired by the experience.

In May 2010, People 1<sup>st</sup> won a prestigious Janus Award for the Junior Chefs' Academy programme under the 'Training Initiative of the Year' category. It was also shortlisted in the 'Best Not-For-Profit' category at the Training Journal Awards in September 2010, and has been shortlisted for a National Training Award in Northern Ireland.

***Key achievements in 2010/11***

- 500 young people from 100 schools have now completed the Junior Chefs' Academy programme
- Launched 'next level' programme for Junior Chefs' graduates who want to build on their repertoire of dishes, taking them a step closer to a career as a chef
- Five-star celebration event hosted for graduates of both programmes at Lough Erne Resort, Enniskillen, with masterclass from executive head chef, Noel McMeel

**Learning Pathway in Wales**

In response to increasing complaints from employers that young people were leaving education lacking the skills required to enter the workplace, People 1st has developed, and is piloting, a new hospitality 'learning pathway' for 14-16 year-olds in Wales.

The learning pathway offers an alternative to traditional academic qualifications, and gives school pupils the opportunity to experience a working environment, and to gain employment skills, right from the outset.

The programme is the first of its kind in Wales, and allows pupils to spend three days a week at school studying GCSEs, one day in college studying for a BTEC in hospitality, and one in industry, gaining valuable work experience.

**Apprenticeships**

People 1<sup>st</sup> is committed to raising the number of apprenticeships across the hospitality, leisure, travel and tourism sector and maximising the funding opportunity created by the coalition government over the next four years.

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

***New hospitality apprenticeship for England, Wales and Northern Ireland***

In August 2010, People 1<sup>st</sup> launched the new framework for the apprenticeship in hospitality and catering, with additional routes for ethnic cuisine and 'kitchen services,' for those cooking large volumes of food to brand standards and requiring some culinary expertise. These will sit alongside existing routes for chefs, food and beverage service, housekeeping, front office and multi-skilling.

***New travel apprenticeship for England, Wales and Northern Ireland***

In September 2010, the new framework for the apprenticeship in travel services (previously known as the apprenticeship in travel and tourism services) was launched. This includes new competence-based and knowledge qualifications and three separate pathways for leisure and business, tour operations – head office, and tour operations – field staff.

In February 2011, Minister for Tourism, John Penrose, pledged his support for our new Apprenticeship Strategy for England at a parliamentary reception in the House of Commons. The strategy aims to increase the number of businesses using apprenticeships (particularly small and medium-sized enterprises), as well as the number of apprentices completing their programmes, through robust, high-quality delivery.

**Modern Apprenticeships (Scotland)**

People 1<sup>st</sup> is also responsible for developing, managing and implementing modern apprenticeship (MA) frameworks for hospitality and travel across Scotland.

The past 12 months has once again seen an increase in registration rates and one of the highest learner completion rates of all sectors.

Following negotiations with People 1<sup>st</sup>, the Scottish government has agreed to invest a further £1.8 million in hospitality and travel MAs for 2010/11, providing over 600 additional places for apprentices in the sector. This additional funding brings the government's total annual investment in hospitality and travel MAs to £7.2 million.

In October 2010, People 1<sup>st</sup> introduced new MA frameworks for hospitality in Scotland, with new travel frameworks due to be launched in late 2011.

Looking forward, People 1<sup>st</sup> is exploring how elements of the delivery model in Scotland could be utilised to raise hospitality apprenticeship completion rates across the rest of the UK.

**Pathways To Apprenticeships (Wales)**

People 1<sup>st</sup> Cymru has worked with the Welsh Assembly Government and key partners to develop a new two-year enhanced apprenticeship programme that produces skilled hospitality professionals.

Introduced in 2010 Pathways to Apprenticeships is a two-year programme, currently being offered in seven colleges across Wales.

It combines the best of college and workplace training to develop high-quality chefs, service staff and supervisors in Wales. People 1<sup>st</sup> Cymru developed programme with leading colleges and work-based learning providers across Wales.

High entry criteria ensures that trainees leaving the programme are now entering the workplace with the level of skills that employers require. In July 2011, Jonathan Davies, a Pathways to Apprenticeships from Coleg Llandrillo, was awarded the title of Hospitality Student of the Year by the Institute of Travel and Tourism.

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

**Key apprenticeship achievements in 2010/11**

- Record number of apprenticeship registrations at 17,062 - a 61 percent increase over five years
- Record number of modern apprenticeship completions in Scotland – up three percent from last year
- New apprenticeship route in craft cuisine for chefs introduced
- Learning providers Welcome Skills and the University of West London have had significant success training apprentices from Bangladeshi restaurants
- Developed pre-apprenticeship programmes to help progression from pre-employment into apprenticeships

**Ethnic Chef Qualifications**

As part of the professional chef apprenticeship, People 1<sup>st</sup> has created specialist routes for Asian and Oriental cuisine - including Indian, Bangladeshi, Chinese and Thai cuisines

The new routes, launched in August 2010, include units on dim sum, noodles, spices and herbs and using a tandoor, and were developed following an in-depth consultation and review with key employers

The qualifications are part of on-going work from People 1<sup>st</sup> to put development routes in place for chefs working in Asian and Oriental cuisine, to help reduce dependency on chefs from outside the EU coming to work in those businesses

**Developing New Programmes Across Wales**

In August 2010, People 1<sup>st</sup> Cymru successfully secured £1 million from the Welsh Assembly Government's Sector Priority Fund, which has been used to pilot a range of initiatives for the sector during 2010-11

These initiatives include the WorldHost customer service programme, the Triple A senior chef programme, learning resources for chefs on traditional Welsh recipes, continuous professional development for trainers and educators and research into chef progression routes

**5. Increasing Business Investment in Skills and Reducing Wasted Public Expenditure**

**Sector Qualifications Strategy**

At People 1<sup>st</sup>, we use the robust evidence base provided by our research, and our close links with employers, learning providers and other partners, to identify and champion those qualifications most respected and valued by businesses

In recent years, we have carried out significant qualification reform, removing outdated and inappropriate qualifications and developing robust career pathways. We are dedicated to ensuring that public funds are directed towards those qualifications and programmes that best equip people for the needs of industry

Now we are working with businesses to improve access to these qualifications and to help them understand better the skills landscape and the career pathways our sector offers

The 2020 Hospitality Group, set up by People 1st in partnership with Springboard, is chaired by Geoffrey Harrison, chief executive of Harrison Catering. It aims to provide a co-ordinated effort across employers and partners to ensure that our current and future demand for skilled staff can be met and will now be taken forward by the new Hospitality Guild

Over the past year, People 1<sup>st</sup> has been helping employers to understand what is available, explaining the flexibilities of the new Qualifications and Credit Framework (QCF) and Scottish Qualifications and Credit Framework (SQCF) and making it easier for them to embed qualifications within their business to support in-house learning

In addition to developing new qualification routeways, showing the critical qualifications needed to enter specific occupations, we have been offering one-to-one support and advice to specific businesses

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

An increasing number of employers - including Compass, B@1, IHG and Pizza Express – are working with People 1<sup>st</sup> and awarding organisations to embed new national qualifications and apprenticeships within their business

***New, robust qualifications***

While removing duplicate qualifications has been a key element of the reform process, we have also introduced new and updated qualifications where gaps have been identified

New qualifications introduced in the past year include

- Drinks dispense NVQ at level 2
- Customer service in hospitality, leisure, travel and tourism VRQ at levels 2 and 3
- Professional cookery NVQ routes and SVQ units for Chinese, Thai, Indian and Bangladeshi cuisine at level 2
- Working within gambling legislation VRQ at level 2
- Professional food and beverage service VRQ at levels 2 and 3
- Food processing and cooking SVQ at level 2
- Kitchen services SVQ at level 2

People 1<sup>st</sup> has also updated a number of qualifications to reflect the latest national occupational standards for those industries, including

- Professional cookery NVQ at levels 1, 2 and 3 and
- Professional cookery SVQ at levels 2 and 3
- Travel services NVQ at levels 2 and 3
- Tourism NVQs at level 2 and 3
- Events management NVQ at level 3

***Further information and guidance***

The outcomes of our SQS work have been used to populate [uksp.co.uk](http://uksp.co.uk), our unique website for employers and individuals looking for training and progression opportunities (see below)

**Skills Development, Advice and Guidance**

Navigating through training and qualifications, and understanding how they relate to career development, can be a minefield, but People 1<sup>st</sup>'s expert knowledge in this area makes us well placed offer information, advice and guidance to businesses and individuals alike

People 1<sup>st</sup> is committed to making training and qualifications easily accessible to employers and individuals, creating clear pathways for development, and celebrating the exciting and vibrant nature of our industries to make it an attractive career option for new entrants– as well as making the importance of investment in skills clear to employers and government alike

That is why we are involved in initiatives such as the Tourism Framework for Change Skills Group in Scotland, and Future Skills Action Group in Northern Ireland, and why we have developed UKSP – a unique website that not only showcases the wealth of career opportunities on offer in our vibrant sector, but provides clear guidance for both businesses and individuals as to what training and skills they need to succeed

**UKSP – the one-stop shop for career development, jobs and training**

UKSP, developed by People 1<sup>st</sup>, is the only site that houses information for individuals, employers, training providers and careers advisers in hospitality, leisure, travel and tourism all under one roof



## ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

### *UKSP for individuals*

The site's main focus is on individuals who are interested in a career in hospitality, leisure, travel or tourism – this includes school, college and university students, jobseekers, returners to work, current employees who are looking to take the next step in their career, and employees from other industries who are looking for a career change

Through UKSP, they can access a wealth of information on the different job roles and career paths available across 14 vibrant industries, find out what qualifications, skills and training they will need, search and apply for job vacancies with registered 'Good Employers,' who have registered their commitment to the training and development of their staff, and create their own profile to record their skills, experience and career goals

### *UKSP for employers, training providers, and careers advisers*

UKSP also has a secondary focus on employers, training providers (colleges, universities, and work-based trainers) and careers advisors

Employers can use the site to create their 'Good Employer' profile, advertise job vacancies and access information on training and development for their staff, training providers can upload information on the hospitality, leisure, travel and tourism courses that they offer, access up-to-date industry information to support their teaching and register their students on the site, and careers advisors can get the latest information on hospitality, leisure, travel and tourism careers to support their students or clients

### *Quality control*

UKSP only lists programmes that were highlighted as 'fit for purpose' by businesses during our two-year review of qualifications for our sector, and signposts users to local training providers that offer them. It also only includes information on employers that have signed a commitment to the training and development of their staff, helping to match dedicated career seekers with employers that will invest in their development

### *Key achievements for 2010/11*

- Created an even simpler user journey and introduced innovative and engaging new tools – Personality Test and Skills Assessment - to inspire users and encourage alternative career paths within our industries
- Average number of page views on the site trebled following the introduction of a dynamic new site design

### **Research**

Research underpins everything that we do – through our dedicated team of qualitative and quantitative researchers, we are able to gain an accurate picture of the hospitality, leisure, travel and tourism landscape, and the key skills issues facing those businesses today

This robust evidence base ensures that People 1st keeps its finger on the pulse, giving us first indication of the latest industry trends, and enabling us to ensure qualifications, standards, and training products that truly meet the needs of the businesses that we represent

We are in regular contact with organisations across our sector and, over the past year, have consulted with in excess of 2,000 businesses, positioning People 1st as the leading labour market research expert for our industries

### **The 'Case For Change': Women Working in Hospitality, Leisure, Travel and Tourism**

**Published:** November 2010

**Methodology:** A detailed survey of over 60 women working in the hospitality, leisure, travel and tourism sector and an analysis of secondary data

### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

**Purpose** The report was designed to help employers think about the issues facing their female managers and encourage them to adapt their working practices for the benefit of their business. It explored the disconnect between the large percentage of women working in operational roles and the number in managerial and senior roles, and reviewed the business case for a more gender-balanced approach to management.

**Key findings:** The report revealed that 310,000 women are leaving the sector each year, costing businesses £2.8 billion in replacement recruitment and training, and that the percentage of women working in the sector has continually declined over the past six years, from 61 percent in 2004/5 to 56 percent today. Women also identified five key barriers to progressing through the management ranks – difficulty of combining work at senior level with caring responsibilities, dominant masculine organisational culture, preconceptions and gender bias, lack of networking and exclusion from informal networks of communications and lack of visible women in senior positions.

**Impact** The findings are being used as the basis for a book of practical solutions for businesses, and tie into People 1st's wider Women 1st campaign to raise the number of senior women in the sector.

*The full report can be viewed online at [www.people1st.co.uk/research](http://www.people1st.co.uk/research)*

### Sector Skills Assessments

**Published:** December 2010

**Methodology:** Analysis of datasets and secondary data from People 1st and other sources

**Purpose:** To produce reports for stakeholders and public sector partners in England, Northern Ireland, Scotland and Wales, looking at what drives skills demand, current workforce and skills needs, future workforce and skills needs and policy implications. A UK-wide report was also produced.

**Key findings:** The reports highlighted the importance of the sector to the economy and employment of each nation, the need for skilled and senior roles within each nation and dynamics of the labour market underpinning those needs.

*The Sector Skills Assessments can be viewed online at [www.people1st.co.uk/research](http://www.people1st.co.uk/research)*

### State of the Nation 2010

The 2010 State of the Nation report, informed by a survey of 2,014 sector businesses, was published in May 2010.

State of the Nation is the definitive overview of the labour market for the hospitality, leisure, travel and tourism sector in the UK, and is produced annually by People 1st.

The executive summary of State of the Nation 2010 is available online, along with separate summaries for Northern Ireland, Scotland and Wales. For more information, visit [people1st.co.uk/SOTN](http://people1st.co.uk/SOTN).

### Media Relations

Over the past year, People 1st and its work has featured in a variety of media, ensuring that skills issues in hospitality, leisure, travel and tourism sector are kept in the public consciousness.

Over 750 articles mentioning People 1st's work have appeared in a variety of national, regional, trade, business, education and training publications, positioning People 1st as a leading authority on skills in the sector.

### PEOPLE 1<sup>ST</sup> TRAINING DIVISION - STONEBOW

Stonebow is part of People 1st's training division. For the past 40 years, it has been improving the standard of training and development across service-centred organisations to help them become more competitive and grow and retain their staff.

In February 2011, building on 40 years of success from Stonebow, the People 1st Training Company was launched as an umbrella organisation for all our accredited training.

## **PEOPLE 1<sup>ST</sup>**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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#### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

The People 1<sup>st</sup> Training Company rebrand brings clarity to our wide range of training programmes and gives customers the assurance that all products offered meet the qualifications and skills standards set by People 1<sup>st</sup> and required by industry

The People 1<sup>st</sup> Training Company incorporates

- Stonebow 'Train the Trainer' programmes - Group and Practical Training Certificate
- 'Focus On Business' suite of programmes for SMEs
- The 7 Habits of Highly Effective People (delivered in partnership with FranklinCovey)
- WorldHost - customer service training
- Employment 1<sup>st</sup> - pre-employment training
- Women 1<sup>st</sup> - continuous professional development for female managers

#### ***People 1st Training Company achievements in 2011:***

- Licensed 130 trainers to deliver the WorldHost suite of programmes
- Licensed 30 trainers to deliver our 'Train the Trainer' programmes
- Trained 500 people through the Employment 1st programme,
- Enrolled 470 women in the Women 1<sup>st</sup> programme
- New websites launched for People 1<sup>st</sup> Training Company and WorldHost

More information on the People 1<sup>st</sup> Training Company and its products is available at [www.people1sttraining.co.uk](http://www.people1sttraining.co.uk)

Training revenue for the 12 months ending 31 March 2011 was £ 412,000 (2010 £266,000)

#### **NATIONAL SKILLS ACADEMY FOR HOSPITALITY**

During the year the National Skills Academy focused on three key themes as identified in the National Skills Strategy, Chefs and Craft Skills, Customer Service and Management and Leadership

As well as focussing on the quality assurance aspects of the original remit and developing further the criteria for Academy accreditation on competitions, private sector training providers and licensing facilitators, the team continued to develop and promote a comprehensive set of programmes, which represented excellent value to the sector enduring a tough trading environment

The financial year ending 31<sup>st</sup> March 2011 marked the end of the three year development period and funding from the Skills for Funding Agency (SFA)

In view of the cuts in public funding and the prevailing economic conditions, the respective boards of People 1st and its subsidiary, the National Skills Academy for Hospitality decided that it would be in the best interests of industry to integrate the two organisations. This integration was completed during the first quarter of 2011. Key products and services that are being taken forward are

- The College and Provider Accreditation work in order to build up the number of providers endorsed by the Skills Academy (working in close collaboration with the Hospitality Guild)
- The Enhanced Apprenticeship programme
- World Class Customer Service suite of programmes

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

#### **FINANCIAL REVIEW**

The consolidated statement of financial activities shows net outgoing resources for the financial year of £225,000 compared to net incoming resources of £286,000 for 2010. Income, including investment income, was lower than the previous year at £6,350,000 (2010 £7,243,000), primarily due to less income generated through the National Skills Academy for Hospitality of £1,341,000 (2010 £1,798,000) and income from the SSC fell from £5,060,000 in 2010 to £4,471,000. Expenditure of £6,575,000 fell 5%, principally as a result of the restructure in staff costs and other direct costs directly related to projects coming to an end in September 2010. Total consolidated funds at 31 March 2011 were £3,768,000 (2010 £3,993,000).

#### **RESERVES POLICY**

As at 31 March 2011, the total funds of the group were £3,768,000 of which £436,000 related to tangible fixed assets. Therefore, the charity had free reserves of £3,332,000 at that date. People 1st has a range of legal and moral responsibilities to users of its services as well as contractual commitments to employees to maintain a sufficient level of reserves without excessively hoarding reserves which could be used for the betterment of the education and learning needs of businesses and individuals in the hospitality, leisure, travel and tourism sector. To this end the Charity -

- Undertakes to preserve a level of reserves that are as a minimum to meet costs on cessation
- To build reserves to a level where this provides sufficient funds to enable People 1st to invest in initiatives which will pump prime the services it offers or address key issues of concern within the sector
- Undertakes not to hold excessive reserves. Excessive reserves would be considered to be any reserves in excess of 50% of the planned annual expenditure budget

People 1st reserves policy is to ensure that level of reserves will not fall below £2 million thereby ensuring that the organisation has sufficient reserves to significantly downsize the organisation as required and to continue to have sufficient cashflow to support the day to day running of the restructured organisation.

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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#### **THE YEAR AHEAD**

In July of this year, we led the consolidation of sector skills councils, merging with GoSkills, the sector skills council for passenger transport to create a unified body for hospitality, passenger transport, travel and tourism

There is a natural synergy between these sectors and, by bringing together two large, customer-facing bodies in the tourist journey, we have an opportunity to upgrade UK PLC's customer service and integrated tourist experience. This is especially important in advance of the Olympics in 2012, and the string of world-class events that will keep the spotlight on the UK, through to the Commonwealth Games and the Rugby World Cup in 2015. Passenger transport will be integral to future People 1<sup>st</sup> plans

In addition to the merger, in May 2011 People 1<sup>st</sup> was awarded the 2012 Inspire mark for two of our training company products and in September secured funding on behalf of employers to establish a Hospitality Guild

The WorldHost and Employment 1<sup>st</sup> training programmes have been awarded the 2012 Inspire mark by the London Organising Committee for Olympic and Paralympic Games (LOCOG). Not only does this recognise the contribution both programmes make to the legacy themes of the Games, but it will see them offered to thousands of contractors at the 2012 Olympics

A successful bid to the Growth and Innovation fund in England will enable People 1<sup>st</sup> to lead, with the support of professional bodies and industry, the development of a 21<sup>st</sup> century Hospitality Guild - a move that could revolutionise the approach to skills in the industry, and, crucially, provide ease of access for employers

We are a strong and confident organisation, ready to move forward and face the challenges ahead. People 1<sup>st</sup> is well-placed to withstand public sector cuts, and the move from grant funding of sector skills councils to competitive bid tendering. We have just heard that a significant grant has been awarded from the Employer Investment Fund, to support a dynamic programme of activity across the UK over the next two years

Over the next 12 months the organisation has five key challenges

- 1 to successfully integrate Go Skills in to the People 1st footprint
- 2 to establish the Hospitality Guild – in co-operation with the sector professional bodies and leading industry representatives
- 3 to respond to the outcome of the Employer Investment Fund bid and to successfully align the organisation to deliver against an ambitious set of plans for the sector
- 4 to promote sign up to the World Host customer service training programme to ensure that both UK plc and our sector industries benefit from the opportunities created by the 2012 Olympic and Paralympics Games
- 5 to ensure the work of People 1st is financially supported by both its own training products and industry

#### **HUMAN RESOURCES**

A skills audit is carried out on a regular basis to identify skills matches and gaps and to ensure that People 1<sup>st</sup> has the appropriate personnel required to deliver its corporate strategy and goals

People 1<sup>st</sup> achieved a 2 star 'outstanding' status in the Best Companies to Work for 2011 (Sunday Times Top 100) accreditation in Jan 2011

#### **QUALITY COMPLIANCE**

##### **Investors in People**

The Investors in People accreditation was retained in December 2010 and People 1<sup>st</sup> uses the IiP standards as a benchmark for internal policies and procedures. An Investors in People re-assessment is being carried out during November / December 2011

## **PEOPLE 1ST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing their Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and the group and of the surplus or deficit of the group for that period. In preparing these financial statements the Trustees are required to

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- 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 financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees are aware at the time the report is approved

- There is no relevant audit information of which the Charity's auditors are unaware, and
- The Trustees have taken all steps 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.

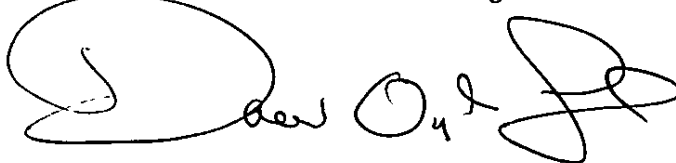
#### **AUDITORS**

A resolution proposing the re-appointment of Haysmacintyre as auditors to the Charity will be put to the annual general meeting.

#### **EMPLOYEES**

The Trustees continue to be grateful for the support of the management and employees of People 1<sup>st</sup> and for their enthusiasm and commitment to the improvement of learning and training in the sector. This has been promoted through their professionalism and leadership and with the help and support of like-minded people in business, learning providers and government departments.

Approved by the Board of Trustees on 30 November 2011 and signed on their behalf

A handwritten signature in black ink, appearing to read 'David Fairhurst', is written over a large, faint, circular watermark or stamp.

**David Fairhurst**  
**Chair**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEOPLE 1ST**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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We have audited the consolidated financial statements of People 1st for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Group & Charity Balance Sheets, the Consolidated Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the consolidated financial statements

- give a true and fair view of the state of affairs of the charitable company and the group as at 31 March 2011 and of the incoming resources and application of resources, including the income and expenditure, of the group for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

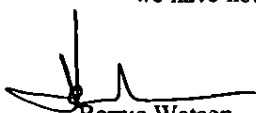
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the consolidated financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
Bernie Watson  
Senior Statutory Auditor  
for and on behalf of haysmacintyre  
Statutory Auditors

Fairfax House  
15 Fulwood Place  
London WC1V 6AY

30 November 2011

**PEOPLE 1ST**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Summary Income and Expenditure Account)

**FOR THE YEAR ENDED 31 MARCH 2011**

	Note	Unrestricted Funds £'000	Total 2011 £'000	Total 2010 £'000
<b>INCOMING RESOURCES</b>				
Donations		45	45	45
Investment income	2	81	81	74
National Skills Academy for Hospitality	6	1,341	1,341	1,798
<i>Incoming resources from charitable activities</i>				
SSC	3	4,471	4,471	5,060
Training	3	412	412	266
<b>Total incoming resources</b>		<u>6,350</u>	<u>6,350</u>	<u>7,243</u>
<b>RESOURCES EXPENDED</b>				
<i>Costs of generating funds</i>				
Marketing, publicity and promotions	4	373	373	507
National Skills Academy for Hospitality	6	1,267	1,267	1,447
<i>Charitable activities</i>				
SSC	4	4,318	4,318	4,790
Training		561	561	180
<i>Governance</i>	4	57	57	33
<b>Total resources expended</b>		<u>6,575</u>	<u>6,575</u>	<u>6,957</u>
<b>NET INCOMING RESOURCES FOR THE YEAR</b>		<u>(225)</u>	<u>(225)</u>	<u>286</u>
Total funds brought forward		<u>3,993</u>	<u>3,993</u>	<u>3,707</u>
<b>Total funds carried forward</b>		<u><u>3,768</u></u>	<u><u>3,768</u></u>	<u><u>3,993</u></u>

All activities of the charitable company are continuing

There are no other gains or losses other than those included above

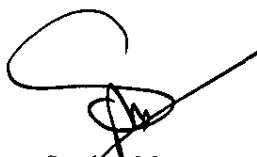


## BALANCE SHEETS

AT 31 MARCH 2011

		Group		Charity	
	Notes	2011 £'000	2010 £'000	2011 £'000	2010 £'000
<b>FIXED ASSETS</b>					
Tangible assets	7	436	479	372	421
<b>CURRENT ASSETS</b>					
Debtors	8	847	837	650	656
Short term deposits		2,652	2,727	2,450	2,526
Cash at bank and in hand		1,238	1,812	1,015	1,305
		<u>4,737</u>	<u>5,376</u>	<u>4,155</u>	<u>4,487</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(1,372)</u>	<u>(1,834)</u>	<u>(1,056)</u>	<u>(1,249)</u>
<b>NET CURRENT ASSETS</b>		<u>3,365</u>	<u>3,542</u>	<u>3,059</u>	<u>3,238</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,801	4,021	3,431	3,659
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10	<u>(33)</u>	<u>(28)</u>	<u>(33)</u>	<u>(28)</u>
		<u>3,768</u>	<u>3,993</u>	<u>3,398</u>	<u>3,631</u>
<b>FUNDS</b>					
Unrestricted funds		<u>3,768</u>	<u>3,993</u>	<u>3,398</u>	<u>3,631</u>
<b>TOTAL FUNDS</b>	12	<u>3,768</u>	<u>3,993</u>	<u>3,398</u>	<u>3,631</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 30 November 2011 and were signed below on its behalf by



Stephen Moss  
Trustee

**PEOPLE 1ST**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £'000	2010 £'000		
<b>Reconciliation of net (outgoing)/incoming resources to net cash flow from operating activities</b>				
Net incoming resources	(225)	286		
Investment income	(81)	(74)		
Depreciation	334	336		
(Increase)/ decrease in debtors	(10)	169		
Decrease in creditors	(462)	(485)		
Increase in provision for liabilities and charges	5	5		
<b>Net cash flow from operating activities</b>	<b>(439)</b>	<b>237</b>		
<b>Returns on investments and servicing of finance</b>				
Investment income	81	74		
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets	(439)	(341)		
Disposal of tangible fixed assets	148	-		
<b>Cash outflow before management of liquid resources</b>	<b>(649)</b>	<b>(30)</b>		
<b>Management of liquid resources</b>				
Reduction in short term deposits	75	596		
<b>(Decrease)/increase in cash</b>	<b>(574)</b>	<b>566</b>		
	<b>2011 £'000</b>	<b>2010 £'000</b>		
Reduction in short term deposits	(75)	(596)		
(Decrease)/increase in cash	(574)	566		
	<b>(649)</b>	<b>(30)</b>		
Net opening funds	4,539	4,569		
Net closing funds	3,890	4,539		
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>	<b>At 1 April 2010 £'000</b>	<b>Cashflow £'000</b>	<b>Non-cash movements £'000</b>	<b>At 31 March 2011 £'000</b>
Short term deposits	2,727	(75)	-	2,652
Cash at bank and in hand	1,812	(574)	-	1,238
	<b>4,539</b>	<b>(649)</b>	<b>-</b>	<b>3,890</b>

# PEOPLE 1ST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2011

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#### 1. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005, applicable accounting standards and the Companies Act 2006.

Consolidated financial statements ("group accounts") have been prepared in respect of People 1<sup>st</sup> and its wholly owned subsidiary, National Skills Academy for Hospitality to 31 March 2011. The National Skills Academy for Hospitality which was incorporated on 4 September 2008 and started to trade on 30 January 2009, has been consolidated into the statement of financial activities on a line by line basis. In accordance with Section 408 of the Companies Act 2006 a separate statement of financial activities for the charity has not been presented.

##### **Tangible fixed assets and depreciation**

The cost of tangible fixed assets is written off over the estimated life of the asset on a straight line basis. The depreciation rates used are as follows:

Leasehold improvements	period of lease
Furniture and office equipment	10-25% per annum
Website/UK Skills Passport	25% - 33% per annum

##### **Unrestricted funds**

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

##### **Restricted funds**

These are funds where a donor requires a donation to be applied to a particular purpose.

##### **Income**

Income includes funding from UKCES, grants and other income received by the National Skills Academy for Hospitality, training services rendered by training division (People 1<sup>st</sup> Training Company), donations received and research and projects undertaken in the year by the SSC. Income also includes amounts generated from bank deposits.

##### **Resources expended**

Resources expended are accounted for on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Central costs which cannot be directly allocated are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Governance costs comprise those costs associated with the overall running of the charity and include audit and other costs associated with complying with constitutional and statutory requirements.

##### **Pension costs**

The company is a participating employer in the ITB Pension Funds and the basis of arriving at the pension cost is described in Note 15.

The ITB Pension Fund is a multi-employer defined benefits pension scheme. For the purposes of complying with the relevant accounting standards, the ITB Pension Fund is accounted for as a defined contribution scheme, since it is not possible to identify the assets and liabilities for each employer participating in the scheme.

**PEOPLE 1ST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2011**

<b>2. INVESTMENT INCOME</b>			<b>2011 £'000</b>	<b>2010 £'000</b>
Bank and short term deposit interest			81	74
			<u>81</u>	<u>74</u>
<b>3. INCOMING RESOURCES</b>			<b>2011 £'000</b>	<b>2010 £'000</b>
SSC			1,751	1,931
Funding from UKCES			2,665	3,113
Product income			55	16
			<u>4,471</u>	<u>5,060</u>
<i>Training Division (education and training activities)</i>				
Course income			307	151
Other materials			38	56
Other income			67	59
			<u>412</u>	<u>266</u>
			<u>4,883</u>	<u>5,326</u>
<b>4. RESOURCES EXPENDED</b>			<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Cost of generating funds</b>				
Marketing, publicity and promotions			373	507
			<u>373</u>	<u>507</u>
	<b>SSC £'000</b>	<b>Training £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Charitable activities</b>				
Training and course materials	-	68	68	37
Course costs	-	-	-	46
Staff costs	1,285	493	1,778	1,880
Other direct costs	1,486	-	1,486	1,520
Support costs	1,547	-	1,547	1,487
	<u>4,318</u>	<u>561</u>	<u>4,879</u>	<u>4,970</u>
<b>Governance costs</b>				
Professional fees			42	19
Audit fee			15	14
			<u>57</u>	<u>33</u>

Support costs include indirect staff costs of £1,365,000 (2010 £1,317,000) and rental and service charges of £182,000 (2010 £170,000)

Staff costs detailed in charitable expenditure includes direct staff costs of £1,604,000 (2010 £1,618,000) and staff related costs of £174,000 (2010 £262,000)

**PEOPLE 1ST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2011**

<b>5. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Net (outgoing)/incoming resources for the year is stated after charging		
Auditors' remuneration – for audit services	13	13
Auditors' remuneration – for other services	4	3
Depreciation of tangible fixed assets	334	336
Operating lease rentals		
- land and buildings	170	170
- other	22	22
	<u>          </u>	<u>          </u>

**6. NATIONAL SKILLS ACADEMY FOR HOSPITALITY**

The Charity has a wholly owned not for profit subsidiary, National Skills Academy for Hospitality, which provides training related services to improve the performance of business within the Hospitality sector to further the aims of People 1<sup>st</sup>. A summary of trading results is shown below. Audited accounts are filed with the Registrar of Companies.

<b>Profit and loss account</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Turnover	1,340	1,798
Cost of sales	(616)	(785)
	<u>          </u>	<u>          </u>
Gross profit	724	1,013
Administration expenses	(717)	(721)
	<u>          </u>	<u>          </u>
Net profit retained in subsidiary	7	292
	<u>          </u>	<u>          </u>
 <b>Balance sheet</b>		
Fixed assets	64	59
Current assets	630	895
Current liabilities	(323)	(591)
	<u>          </u>	<u>          </u>
	371	363
	<u>          </u>	<u>          </u>

Costs shown on the Statement of Financial Activities exclude £67,000 of shared services

PEOPLE 1ST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2011

7. TANGIBLE FIXED ASSETS

GROUP	Short leasehold Improvements £'000	Fixtures and Office equipment £'000	Website and UK skills Passport £'000	Total £'000
<b>Cost</b>				
At 1 April 2010	71	318	938	1,327
Additions	-	25	414	439
Disposals	-	-	(913)	(913)
At 31 March 2011	71	343	439	853
<b>Accumulated depreciation</b>				
At 1 April 2010	70	221	557	848
Charge for the year	1	51	282	334
Disposals	-	-	(765)	(765)
At 31 March 2011	71	272	74	417
<b>Net book value</b>				
At 31 March 2011	-	71	365	436
At 31 March 2010	1	97	381	479
<b>CHARITY</b>				
<b>Cost</b>				
At 1 April 2010	71	295	881	1,247
Additions	-	22	381	403
Disposals	-	-	(913)	(913)
At 31 March 2011	71	317	349	737
<b>Accumulated depreciation</b>				
At 1 April 2010	70	215	541	826
Charge for the year	1	41	262	304
Disposals	-	-	(765)	(765)
At 31 March 2011	71	256	38	365
<b>Net book value</b>				
At 31 March 2011	-	61	311	372
At 31 March 2010	1	80	340	421
The net book value of 31 March 2011 represents fixed assets used for				
Charitable activities	-	61	311	372
National Skills Academy for Hospitality	-	10	54	64
Group	-	71	365	436

**PEOPLE 1ST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**8. DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	668	736	481	554
Prepayments and accrued income	174	64	164	63
Other debtors – VAT	5	37	5	33
Due from subsidiary undertaking	-	-	-	6
	<u>847</u>	<u>837</u>	<u>650</u>	<u>656</u>

**9 CREDITORS: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	370	469	327	423
Other creditors	24	26	24	26
Taxation and social security	105	89	90	71
Accruals and deferred income	873	1,250	608	729
Amount due to subsidiary undertaking	-	-	7	-
	<u>1,372</u>	<u>1,834</u>	<u>1,056</u>	<u>1,249</u>

**10. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>At 1 April 2010 £'000</b>	<b>Provided in year £'000</b>	<b>Applied in year £'000</b>	<b>At 31 March 2011 £'000</b>
Dilapidations and associated costs in respect of property leases	<u>28</u>	<u>5</u>	<u>-</u>	<u>33</u>

The company has arrived at the amounts included above after reference to external professional service

**11. TAXATION**

People 1st is a registered charity and does not trade for tax purposes. It is not liable to corporation tax on any surplus. National Skills Academy for Hospitality is a not for profit organisation which retains its profits for use in the business. Accordingly, it is not liable to tax on its operating activities.

**12. TOTAL FUNDS**

	<b>Group £'000</b>	<b>Charity £'000</b>
Opening funds	3,993	3,631
Movement in the year	(225)	(233)
Closing funds	<u>3,748</u>	<u>3,398</u>

All the above funds are unrestricted

**PEOPLE 1ST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**13. OPERATING LEASE COMMITMENTS**

At the year end, the company was committed to make the following payments during the next year in respect of operating leases

	<b>Land and buildings</b>	
	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Leases which expire:</b>		
Within two to five years	112	112

**14. INFORMATION REGARDING EMPLOYEES AND TRUSTEES**

Average number of employees during the year including both full and part time (each part time employee is shown as equivalent to half a full time employee)

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
	76	68

The average number of employees, analysed by division was  
SSC

Training Division

National Skills Academy for Hospitality

	51	58
	13	2
	8	8
	76	68

Staff costs were as follows

Wages and salaries

Social security costs

Pension costs

	<b>£'000</b>	<b>£'000</b>
	2,730	2,822
	259	280
	248	255
	£3,237	£3,357

The number of employees paid over £60,000 during the year (salary plus taxable benefits) was

£60,000 - £70,000

£70,001 - £80,000

£110,000 - £120,000

£120,000 - £130,000

£140,000 - £150,000

£200,000 - £210,000

	<b>No.</b>	<b>No.</b>
	4	1
	1	4
	1	-
	1	-
	1	2
	-	1

For employees earning over £60,000

The number of staff in defined benefit pension scheme

	8	8
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During the year the total remuneration paid to a trustee of the Charity (Non-Executive Chairperson) amounted to £20,000 (2010 £20,000) This was agreed by the Charity Commission

During the year the total expenses reimbursed to the trustees amounted to £Nil (2010 £Nil) This principally represents reimbursed travelling expenses incurred in attending trustees' meetings

People 1st purchased insurance costing £2,200 (2010 £2,100) to protect the Charity from losses arising from neglect or default of its senior management and trustees and to indemnify them against the consequences of neglect or default on their part



## PEOPLE 1ST

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2011

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#### 15. PENSION SCHEME

The company is a participating member of the ITB Pension Funds Open Fund (the Scheme), a defined benefit pension scheme in operation for the Industrial Training Boards and their successors. The assets of the Scheme are held separately from those of the company in an independently administered fund. The actuarial liability is determined for the Scheme as a whole and not for individual participating employers. For practical purposes the contributions paid to the Scheme comprise the company's pension costs relating to the employees who are members of the scheme and these are charged to the Statement of Financial Activities in the period to which the contributions relate.

As at 31 March 2011, People 1<sup>st</sup> had 40 participating in the Scheme with 8 of those members in the Old Section and 27 members in the 2007 Section. During the year the employer Standard Contribution Rate in respect of Old Section members was 12% of pay until 31 December 2010 and 13.9% thereafter and for the other active category of membership in the 2007 Section was 6.1% of pay until 31 December 2010 and 8.6% thereafter. The standard member contribution rate to the Scheme prior to tax relief was 5% of Pensionable Salary. However, those who chose to remain Old Section members were required by the company to pay 11.8% member contributions.

The pension cost charge for the year was £248,000 (2010 - £255,000).

As a backdrop to reduce pension costs going forward (both in terms of cash contributions and future unforeseen liabilities), effective 1st August 2010 (following a period of staff consultation), the following changes were made to People 1<sup>st</sup> (Company only) employees within the Old and New sections:

- Those in the Old Section were given the choice of remaining in the Old Section and contributing 50% of the cost or moving to the 2007 section and being required to pay no contribution. At 1 August 2010 there were 7 individuals effected - 4 stayed in the Old Section and 3 moved to the 2007 Section.
- There were 13 members in the New Section (paying 5% contribution) as at 31 March 2011 who moved to the 2007 section and are continuing to pay 5% contribution.

As before, 2007 Section members pay a 5% contribution rate.

Where member contribution rates are less than the standard member contribution rate of 6% then the difference is financed by the Company.

In accordance with Section 224 (1) of the Pensions Act 2004 a formal actuarial review of the Open Fund, as at 31 March 2010 was carried out and disclosed a residual deficit of £76.3 million (2007 a surplus of £2.4 million). People 1<sup>st</sup> has been informed that given the size of its employer surplus pot no additional deficit contributions are currently likely to be required for either itself or its subsidiary.

The Company was informed that effective 1 Jan 2011 the total Standard Contribution Rates would rise to 25.7% (previously 23.8%) of pay in respect of Old Section members and 13.6% (previously 11.1%) in respect of the 2007 Section members.

The ITB Pension Fund has written to all participating employers, stating that if they were to cease participating in the Funds, they would face a potential liability. In the case of People 1st, this liability was estimated at £12.131 million at 31 March 2011 (£12.653 million at 31 March 2010) if it ceased to participate in the Scheme. People 1st currently has no plans to leave the Scheme, so this contingent liability has not been provided for in the accounts.