Westminster Education Consultants Limited

Directors' report and financial statements

Registered number 2731629

31 March 2005

Westminster Education Consultants Limited
Directors' report and financial statements

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

Principal activity

The principal activities of the company are AST assessments and other consultant contracts.

Business review

The profit and loss account for the year is set out on page 4. The directors consider the results for the year to be satisfactory.

Directors

The directors who held office during the year were as follows:

CJ Cundy
SE Tarrant

CJ Cundy and SE Tarrant are directors of VT Group plc and their interests in the shares of that company and their rights to subscribe for shares of that company are shown in its directors' report.

Dividends

The directors do not recommend the payment of a dividend *(2004: £nil)*.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Matthew Jowett

MP Jowett
Secretary

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG Audit Plc
Dukes Keep
Marsh Lane
Southampton
Hampshire SO14 3EX

Report of the independent auditors to the members of Westminster Education Consultants Limited

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

15 September 2005

Profit and loss account

for the year ended 31 March 2005

	Notes	2005 £000	2004 £000
Turnover	2	**598**	831
Cost of sales		**(351)**	(530)
Gross profit		**247**	301
Administration costs		**(235)**	(375)
Operating profit/(loss)		**12**	(74)
Interest receivable and similar income	5	**-**	3
Interest payable and similar charges	6	**(3)**	-
Profit/(loss) on ordinary activities before taxation	7	**9**	(71)
Tax on profit/(loss) on ordinary activities	8	**(5)**	23
Retained profit/(loss) for the financial year	13	**4**	(48)

The above results all relate to continuing activities.

There are no recognised gains or losses other than the profit *(2004: loss)* for the year reported above. There is also no difference between the profit *(2004: loss)* on ordinary activities before taxation and the retained profit *(2004: loss)* for the financial year stated above, and their historical cost equivalents.

Balance sheet
at 31 March 2005

	Notes	2005 £000	2004 £000
Fixed assets			
Tangible assets	9	1	3
Current assets			
Debtors	10	175	265
Cash at bank and in hand		63	-
		238	265
Creditors: amounts falling due within one year	11	(160)	(193)
Net current assets		78	72
Net assets		79	75
Capital and reserves			
Called up share capital	12	10	10
Profit and loss account	13	69	65
Equity shareholder's funds	14	79	75

These financial statements were approved by the board of directors on 16TH MAY 2005 and were signed on its behalf by:

CJ Cundy
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

Under Financial Reporting Standard 1 (1996 Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

In addition advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with VT Group plc or other group undertakings as the consolidated financial statements of VT Group plc in which the company is included are publicly available.

Turnover

Turnover represents the value of services provided to customers during the year.

Fixed assets and depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost less residual value of each asset on a straight line basis over the expected useful life as follows:

Fixtures, fittings and equipment	-	33.3%

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred taxation assets are recognised only to the extent that in the opinion of the directors, there is a reasonable probability that the asset will crystallise in the foreseeable future.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in respect of the accounting period.

Notes *(continued)*

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers, is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Remuneration of directors

During the year and the previous year, the emoluments of the directors were borne by a fellow group company.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Number of employees	
	2005	2004
Administration	**3**	4

The aggregate payroll costs of these persons were as follows:

	2005	2004
	£000	£000
Wages and salaries	**88**	193
Social security costs	**11**	20
Other pension costs	**3**	4
	102	217

5 Interest receivable and similar income

	2005	2004
	£000	£000
On bank deposits	**-**	3

6 Interest payable

	2005	2004
	£000	£000
On bank overdraft	3	-

Notes *(continued)*

7 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2005 £000	2004 £000
Auditors remuneration – audit services	**5**	2
Depreciation	**2**	7

8 Taxation

	2005 £000	2004 £000
Current tax		
Current tax charge/(credit) on income for the period	**2**	(19)
Adjustment in respect of prior years	**2**	(1)
Total current tax charge/(credit)	**4**	(20)
Deferred taxation		
Origination and reversal of timing differences	**1**	(3)
Tax on profit/(loss) on ordinary activities	**5**	(23)

Factors affecting the tax credit for the current period

The current tax charge for the year is higher *(tax credit 2004: lower)* than the standard rate of corporation tax in the UK of 30% *(2004: 30%)*. The differences are explained below:

	2005 £000	2004 £000
Profit/(loss) on ordinary activities before tax	**9**	(71)
Profit/(loss) on ordinary activities multiplied by standard rate in UK of 30% *(2004: 30%)*	**3**	(21)
Effects of:		
Accelerated capital allowances and other timing differences	**(1)**	2
Adjustment to tax charge/(credit) in respect of prior years	**2**	(1)
Current tax charge/(credit) for the year	**4**	(20)

Notes *(continued)*

9 Tangible assets

	Fixtures and fittings £000
Cost	
At beginning and end of year	146
Depreciation	
At beginning of year	143
Charge for year	2
At end of year	145
Net book value	
At 31 March 2005	**1**
At 31 March 2004	3

10 Debtors

	2005 £000	2004 £000
Trade debtors	**-**	108
Amounts owed by group undertakings	**102**	122
Prepayments and accrued income	**59**	8
Other debtors	**7**	-
Corporation tax recoverable	**-**	19
Deferred tax	**7**	8
	175	265

The deferred tax movement is:

	Deferred taxation £000
At beginning of year	8
Charge during the year	(1)
At end of year	**7**

The deferred tax asset is analysed as follows:

	2005 £000	2004 £000
Accelerated capital allowances	**5**	5
Other timing differences	**2**	3
	7	8

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Bank overdraft	-	13
Trade creditors	21	51
Amounts owed to group undertakings	45	-
Corporation tax payable	4	-
Other taxation including social security	17	20
Other creditors	2	-
Accruals and deferred income	71	109
	160	193

The bank overdraft is secured by a fixed and floating charge over the assets of the company. Additional security has been given by way of a parent company guarantee.

12 Called up share capital

	2005 £000	2004 £000
Authorised		
10,000 ordinary shares of £1 each	10	10
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10

13 Reserves

	Profit and loss account £000
At beginning of year	65
Retained profit for the year	4
At end of year	69

14 Reconciliation of movements in shareholders' funds

	2005 £000	2004 £000
Profit/(loss) for the financial year	4	(48)
Net increase in/(reduction to) shareholder's funds	4	(48)
Opening shareholder's funds	75	123
Closing shareholder's funds	79	75

Notes *(continued)*

15 Pension arrangements

The company operates a group money purchase personal pension plan for employees. The pension cost charge represents contributions payable by the company to employees' policies and amounted to £2,853 *(2004: £4,000)*.

Contributions totalling £1,551 (2004: *£1,701)* were payable under the plan at year end and are included in creditors.

16 Ultimate parent company

The company is a subsidiary undertaking of VT Support Services Limited, a company incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are reported is that headed by VT Group plc. The consolidated financial statements are available to the public at that company's registered office of Grange Drive, Hedge End, Southampton. No other financial statements include the results of the company.