

Company number : 2961588

CAREERS ENTERPRISE LIMITED

FINANCIAL STATEMENTS

31 MARCH 1996



Baker Tilly
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

DIRECTORS AND OFFICERS

DIRECTORS

W R Abbot
K R Anderson
D W Artess
H Caunce
M Crouch
P T Donoghue
Y L Emmerson-Pierce
C Thompson

SECRETARY

N E Williams

REGISTERED OFFICE

Enterprise House
17 Ribblesdale Place
Preston
Lancashire
PR1 3NA

AUDITORS

Baker Tilly
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

SOLICITORS

Taylor Joynson Garrett
Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y 0DX

BANKERS

Barclays Bank Plc
Navigation Way
Ashton on Ribble
Preston PR2 2XY

DIRECTORS' REPORT

The directors submit their report and the financial statements of Careers Enterprise Limited for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of careers services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company commenced trading on 1 April 1995 with the provision of careers services in North Buckinghamshire. This trade was increased on 1 July when the company commenced providing careers guidance in Kent. The directors are satisfied with the company's performance during the year and are confident that the continued expansion of the business will enhance the level of services and courses advice that can be given.

On 1 April 1996 the company commenced the provision of careers services in South Buckinghamshire and Islington, Hackney and City.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £134,749.

The directors of the company do not recommend the payment of a dividend and the profit for the year has been transferred to reserves.

DIRECTORS

The following directors have held office during the year:-

W R Abbot

K R Anderson

D W Artess

H Caunce

M Crouch

P J Donoghue

Y L Emmerson-Pierce

(appointed 13 September 1995)

C Thompson

DIRECTORS' REPORT

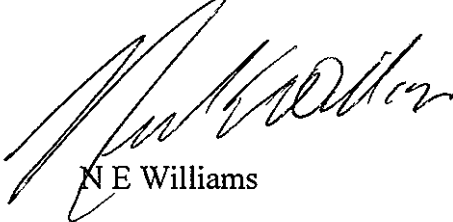
DIRECTORS' INTERESTS IN SHARES

No director held any beneficial interest in the shares of the company at any time during the year.

AUDITORS

The company has elected to dispense with the obligation to reappoint the auditors annually pursuant to section 386(1) of the Companies Act 1985. Accordingly Baker Tilly are deemed to be reappointed for each succeeding financial year.

By order of the board

A handwritten signature in dark ink, appearing to read 'N E Williams', is written over the printed name.

N E Williams

Secretary

27 JULY 1996

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF CAREERS ENTERPRISE LIMITED

We have audited the financial statements on page 6 to 17.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

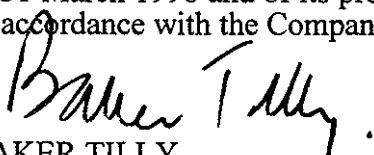
BASIS OF OPINION

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY
Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

27 July 1996

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1996

	Notes	1996	1995
TURNOVER	1	5,836,538	-
Cost of sales		3,210,999	-
Gross profit		<u>2,625,539</u>	<u>-</u>
Net operating expenses	2	2,338,996	-
OPERATING PROFIT		<u>286,543</u>	<u>-</u>
Investment income	3	5,704	-
Interest payable	4	3,469	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>288,778</u>	<u>-</u>
Taxation	7	154,029	-
RETAINED PROFIT FOR THE YEAR	15	<u><u>£ 134,749</u></u>	<u><u>£ -</u></u>

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

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

BALANCE SHEET

31 March 1996

	Notes	1996	1995
FIXED ASSETS			
Tangible assets	8	354,774	-
Investment	9	4	-
		<u>354,778</u>	<u>-</u>
CURRENT ASSETS			
Debtors	10	821,767	100
Cash at bank and in hand		417,383	-
		<u>1,239,150</u>	<u>-</u>
CREDITORS			
Amounts falling due within one year	11	1,435,110	-
NET CURRENT(LIABILITIES)/ASSETS			
		<u>(195,960)</u>	<u>100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		158,818	100
CREDITORS			
Amounts falling due in more than one year	12	23,969	-
PROVISIONS FOR LIABILITIES AND CHARGES			
	13	-	-
		<u>£ 134,849</u>	<u>£ 100</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	15	134,749	-
SHAREHOLDERS' FUNDS			
	16	<u>£ 134,849</u>	<u>£ 100</u>

Approved by the board on 27 July 1996.

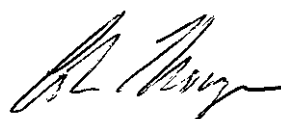
D Artess

Director



C Thompson

Director



CASH FLOW STATEMENT
for the year ended 31 March 1996

	Notes	1996	1995
NET CASH FLOW FROM OPERATING ACTIVITIES	17a	864,247	(100)
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	5,704	-	-
Interest paid	(3,469)	-	-
Net cash flow from returns on investments and servicing of finance		2,235	-
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	425,939	-	-
Purchase of investments	4	-	-
Net cash outflow from investing activities		(425,943)	-
Net cash flow before financing		440,539	(100)
FINANCING			
Issue of ordinary share capital	-	100	-
Capital element of finance lease repayments	23,156	-	-
Net cash flow from financing		(23,156)	100
INCREASE IN CASH AND CASH EQUIVALENTS	17c	£ 417,383	£ -

Financial statements for the year ended 31 March 1996

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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

Furniture, fixtures and fittings	over 3 years
Computers	over 2 years

DEFERRED TAXATION

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

LEASED ASSETS AND OBLIGATIONS

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

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

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

Financial statements for the year ended 31 March 1996

ACCOUNTING POLICIES

PENSIONS

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the remaining average working life of employees.

TURNOVER

Turnover represents income received for the provision of careers advice net of value added tax.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

**1. TURNOVER AND PROFIT ON ORDINARY
ACTIVITIES BEFORE TAXATION**

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the United Kingdom.

2. NET OPERATING EXPENSES

	1996	1995
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Establishment expenses	501,430	-
Administration expenses	1,691,476	-
Other operating expenses	146,090	-
	£ 2,338,996	£ -

3. INVESTMENT INCOME

Other interest receivable	£ 5,704	£ -

4. INTEREST PAYABLE

On loans wholly repayable within 5 years:		
Hire purchase interest	£ 3,469	£ -

**5. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

Profit on ordinary activities before
taxation is stated after charging:
Depreciation and amounts written off
tangible fixed assets:

Charge for the year:		
owned assets	108,659	-
leased assets	33,198	-
Auditors' remuneration	9,000	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

	1996	1995
6. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Management	2	-
Administration	21	-
Careers advisers	128	-
	<u>151</u>	<u>-</u>
Staff costs for the above persons:		
Wages and salaries	2,738,837	-
Social security costs	199,111	-
Other pension costs	195,497	-
	<u>£ 3,133,445</u>	<u>£ -</u>

No directors received any remuneration from the company during the year.

	1996	1995
7. TAXATION		
Based on the profit for the year:		
UK Corporation tax at 33%	<u>£ 154,029</u>	<u>£ -</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

8. TANGIBLE FIXED ASSETS

	Computers	Furniture, fixtures and fittings	TOTAL
Cost:			
Additions	327,175	169,456	496,631
31 March 1996	<u>327,175</u>	<u>169,456</u>	<u>496,631</u>
Depreciation:			
Charge in the year	106,457	35,400	141,857
31 March 1996	<u>106,457</u>	<u>35,400</u>	£ <u>141,857</u>
Net book value:			
31 March 1996	<u>220,718</u>	<u>134,056</u>	£ <u>354,774</u>

Included above are computer equipment and furniture, fixtures and fittings held under hire purchase agreements with net book values of £28,349 and £8,481 respectively.

	1996	1995
9. INVESTMENTS		
Investments in subsidiary undertakings	£ <u>4</u>	£ <u>-</u>

The company owns 100% of the ordinary share capital of the following companies who are both incorporated in England:

Careers Enterprise (Kent) Limited
Careers Enterprise (North Buckinghamshire) Limited

Both companies were dormant throughout the year having not traded since their incorporation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

	1996	1995
10. DEBTORS		
Due within one year:		
Trade debtors	570,774	-
Other debtors	80,909	100
Prepayments and accrued income	170,084	-
	<u>£ 821,767</u>	<u>£ 100</u>

11. CREDITORS

Amounts falling due within one year:		
Obligations under hire purchase	23,566	-
Trade creditors	103,967	-
Amounts owing to associated undertakings	222,197	-
Corporation tax	154,029	-
Other taxation and social security costs	342,721	-
Other creditors	33,558	-
Accruals and deferred income	555,072	-
	<u>£ 1,435,110</u>	<u>£ -</u>

Amounts owed under hire purchase are secured against the relevant assets.

12. CREDITORS

Amounts falling due in more than one year:		
Hire Purchase	<u>£ 23,969</u>	<u>£ -</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the unprovided potential assets are as follows:

	Amount provided		Unprovided assets	
	1996	1995	1996	1995
Excess of tax allowances over depreciation	-	-	8,500	-
Short term timing differences	-	-	66,000	-
	<u>£ -</u>	<u>£ -</u>	<u>£ 74,500</u>	<u>£ -</u>

14. SHARE CAPITAL

Authorised, allotted, issued and fully paid:

50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<u>£ 100</u>	<u>£ 100</u>

15. PROFIT AND LOSS ACCOUNT

1 April 1995	-	-
Profit for the year	134,749	-
31 March 1996	<u>£ 134,749</u>	<u>£ -</u>

**16. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS' FUNDS**

Profit for the financial year	134,749	-
Issue of shares	-	100
Opening shareholders' funds	100	-
Closing shareholders' funds	<u>£ 134,849</u>	<u>£ 100</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

	1996	1995	
17. NOTES TO THE CASH FLOW STATEMENT			
a. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit	286,543	-	
Depreciation	141,857	-	
Increase in debtors	(821,667)	(100)	
Increase in creditors	1,257,514	-	
NET CASH FLOW FROM OPERATING ACTIVITIES	£ 864,247	£ (100)	
b. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR			
1 April 1995		-	
Net cash inflow		417,383	
31 March 1996		£ 417,383	
c. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET			
	1996	1995	Change in year
Cash at bank and in hand	£ 417,383	£ -	£ 417,383

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 1996 the company had annual commitments under non-cancellable operating leases as follows:

Plant and machinery:

expiring between 2 and 5 years	39,197	-
expiring in more than 5 years	710	-

£ 39,907	£ -
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Land and buildings

expiring between 2 and 5 years	£ 291,705	£ -
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19. PENSION COMMITMENTS

The company is a member of the LAWDC pension scheme whose assets are held in independent trustee administered funds. The scheme is a final salary scheme and mirrors the Local Government Superannuation Scheme as closely as possible. The scheme was set up on 1 July 1992 and the first actuarial valuation was carried out by a qualified actuary as at 31 March 1995.

In determining the company's pension cost, the projected unit method of valuation was used. In addition, the assumptions having the most significant effect on the results of the valuation are the rate at which current salaries and pensions will increase and the return scheme will earn on its assets.

The rates used in determining the scheme valuation were:-

Investment return	9% per annum
Pay increases	7% per annum
Pension increases	5% per annum
Dividend growth	4.5% per annum

At the date of the valuation, no assets had accumulated in respect of employees of the company as they joined the company on or after the valuation date. The actuarial valuation of the schemes assets represented 136% of the value of benefits accrued to existing members.

The contributions of the company and its employees are at 9% and 6% respectively and result in a pension charge for the year of £195,497.