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**Report of the Directors and
Financial Statements for the year ended 31st March 2007
for
THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

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**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Contents of the Financial Statements
for the year ended 31st March 2007**

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**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Company Information
for the year ended 31st March 2007**

DIRECTORS

K A Bradshaw
M J Lowe
C A Davies
L Nicholson
J Minor
J Graham
E Clare
A Hartley
K Calder
J Woodall
N Graham

SECRETARY:

R H Henshaw

REGISTERED OFFICE.

First Floor, Victoria House
Victoria Quay
Welsh Bndge
Shrewsbury
Shropshire
SY1 1HH

REGISTERED NUMBER:

2993054 (England and Wales)

AUDITORS

Howard Worth
Chartered Accountants and
Registered Auditors
The Heysoms
163 Chester Road
Northwich
Cheshire
CW8 4AQ

BANKERS

The Co-operative Bank
42 Greengate Street
Stafford
Staffordshire
ST16 2BU

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Report of the Directors
for the year ended 31st March 2007**

The directors present their report with the financial statements of the company for the year ended 31st March 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of impartial support and advice on health, employment, lifestyle, housing, finance and learning to young people and adults, and support services to schools, colleges, employers and training suppliers in Shropshire, Telford and Wrekin

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

Despite a real terms reduction in core grant funding during the final year of operation, the Board achieved real reductions in overhead expenditure, allowing a positive contribution to be made to the transition of the business at the year end

A reduction in the forecast pension deficit (under FRS 17) resulted in an increase in the net worth of the company of £440,000

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2006 to the date of this report

K A Bradshaw
M J Lowe
C A Davies
L Nicholson
J Minor
J Graham
E Clare
A Hartley
K Calder
J Woodall

Other changes in directors holding office are as follows

N Graham - appointed 5th May 2006

STATEMENT ON GOING CONCERN

Following the decision by the DFES to route the Connexions grant via Local Authorities, both Shropshire County Council and the Borough of Telford and Wrekin Council agreed that they would take the service in house, thus causing the business to close. The company signed a Business Transfer Agreement effective from the first of April 2007, transferring its business to its successor bodies

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Report of the Directors
for the year ended 31st March 2007**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 affairs of the company and of the profit or loss of the company for that period. In preparing these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

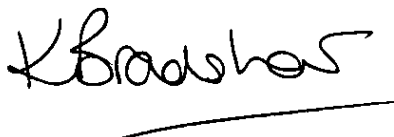
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

K A Bradshaw - Director

A handwritten signature in black ink, appearing to read 'K Bradshaw', with a horizontal line drawn underneath it.

19th July 2007

**Report of the Independent Auditors to the Shareholders of
The Shropshire and Telford & Wrekin
Connexions Partnership Limited**

We have audited the financial statements of The Shropshire and Telford & Wrekin Connexions Partnership Limited for the year ended 31st March 2007 on pages six to eighteen. These financial statements have been prepared under the accounting policies set out therein.

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 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 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

**Report of the Independent Auditors to the Shareholders of
The Shropshire and Telford & Wrekin
Connexions Partnership Limited**

Going Concern

Without qualifying our opinion, we draw your attention to note 1 of the accounts regarding the directors intention not to continue the company as a going concern. The directors have decided to present the accounts in a format that will be understood by the members, measuring the assets and liabilities at fair value and reporting the fixed assets and the pension liability consistently with the previous year.



Howard Worth
Chartered Accountants and
Registered Auditors
The Heysoms
163 Chester Road
Northwich
Cheshire
CW8 4AQ

19th July 2007

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Profit and Loss Account
for the year ended 31st March 2007**

	Notes	31/3/07 £	31/3/06 £
TURNOVER		5,823,114	5,977,748
Cost of sales		<u>5,028,633</u>	<u>4,902,585</u>
GROSS PROFIT		794,481	1,075,163
Administrative expenses		<u>1,097,432</u>	<u>1,029,761</u>
OPERATING (LOSS)/PROFIT	3	(302,951)	45,402
Interest receivable and similar income		<u>111,229</u>	<u>99,076</u>
		(191,722)	144,478
Other finance costs	12	<u>89,000</u>	<u>121,000</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(280,722)	23,478
Tax on (loss)/profit on ordinary activities	4	<u>21,134</u>	<u>18,824</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(301,856)</u>	<u>4,654</u>

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current year

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Statement of Total Recognised Gains and Losses
for the year ended 31st March 2007**

	31/3/07 £	31/3/06 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(301,856)	4,654
Actuarial gain / (loss)	739,000	81,000
Property revaluation	<u>26,250</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>463,394</u>	85,654
Prior year adjustment		(3,681,000)
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>(3,595,346)</u>

The notes form part of these financial statements

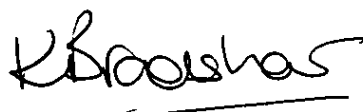

**THE SHROPSHIRE AND Telford & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Balance Sheet
31st March 2007**

	Notes	31/3/07 £	31/3/06 £
FIXED ASSETS			
Tangible assets	5	210,091	202,993
CURRENT ASSETS			
Debtors	6	620,315	574,691
Cash at bank and in hand		<u>1,567,698</u>	<u>2,393,901</u>
		2,188,013	2,968,592
CREDITORS			
Amounts falling due within one year	7	<u>1,346,068</u>	<u>2,099,335</u>
NET CURRENT ASSETS		<u>841,945</u>	<u>869,257</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,052,036	1,072,250
PROVISIONS FOR LIABILITIES	9	-	(43,608)
PENSION LIABILITY	12	<u>(3,154,000)</u>	<u>(3,594,000)</u>
NET LIABILITIES		<u>(2,101,964)</u>	<u>(2,565,358)</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,000	2,000
Share premium	11	199,000	199,000
Revaluation reserve	11	164,900	138,650
Working capital fund	11	58,000	58,000
Profit and loss account	11	<u>(2,525,864)</u>	<u>(2,963,008)</u>
SHAREHOLDERS' FUNDS	15	<u>(2,101,964)</u>	<u>(2,565,358)</u>

The financial statements were approved by the Board of Directors on 19th July 2007 and were signed on its behalf by

K A Bradshaw - Director

M J Lowe - Director

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Cash Flow Statement
for the year ended 31st March 2007**

	Notes	31/3/07 £	31/3/06 £
Net cash outflow from operating activities	1	(918,608)	(151,799)
Returns on investments and servicing of finance	2	111,229	99,076
Taxation		(18,824)	(19,296)
Capital expenditure	2	-	(9,805)
Decrease in cash in the period		<u>(826,203)</u>	<u>(81,824)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(826,203)</u>	<u>(81,824)</u>
Change in net funds resulting from cash flows		<u>(826,203)</u>	<u>(81,824)</u>
Movement in net funds in the period		<u>(826,203)</u>	<u>(81,824)</u>
Net funds at 1st April		<u>2,393,901</u>	<u>2,475,725</u>
Net funds at 31st March		<u>1,567,698</u>	<u>2,393,901</u>

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Cash Flow Statement
for the year ended 31st March 2007**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31/3/07 £	31/3/06 £
Operating (loss)/profit	(302,951)	45,402
Depreciation charges	19,152	22,868
Decrease in provisions	(43,608)	(36,147)
(Increase)/Decrease in debtors	(45,624)	265,357
Decrease in creditors	(755,577)	(322,279)
Difference between pension charge and cash contributions	<u>210,000</u>	<u>(127,000)</u>
Net cash outflow from operating activities	<u>(918,608)</u>	<u>(151,799)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31/3/07 £	31/3/06 £
Returns on investments and servicing of finance		
Interest received	<u>111,229</u>	<u>99,076</u>
Net cash inflow for returns on investments and servicing of finance	<u>111,229</u>	<u>99,076</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>-</u>	<u>(9,805)</u>
Net cash outflow for capital expenditure	<u>-</u>	<u>(9,805)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/06 £	Cash flow £	At 31/3/07 £
Net cash			
Cash at bank and in hand	<u>2,393,901</u>	<u>(826,203)</u>	<u>1,567,698</u>
	<u>2,393,901</u>	<u>(826,203)</u>	<u>1,567,698</u>
 Total	<u>2,393,901</u>	<u>(826,203)</u>	<u>1,567,698</u>

The notes form part of these financial statements

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements
for the year ended 31st March 2007**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The directors intend to close the company down after the year end, following the reallocation of the grant income contracts to local councils. The accounts have therefore not been prepared on a going concern basis. Assets and liabilities have been reported at fair value. In order to aid the members understanding of the accounts, the directors have decided to present the fixed assets and pension liability consistently with the prior year.

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties.

Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold land and buildings	- Straight line over 50 years
Leasehold improvements	- Straight line over 5 years
Fixtures, fittings and equipment	- Straight line over 4 years and Straight line over 5 years

Retirement Benefits

The company operates a defined benefit pension scheme. The regular pension cost is charged to the profit and loss account and is based on the expected pension costs over the service life of the employees. The current pension deficit is spread in the profit and loss account over the remaining service lives of current employees.

Revaluation of Properties

The freehold property was professionally revalued on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

The freehold property is professionally revalued every five years with an interim valuation in year three.

Government grants

Grants received relating to capital expenditure are credited to the profit and loss account over a period equivalent to the estimated useful economic lives of the assets to which they relate, as in accordance with SSAP 4. Grants received relating to revenue expenditure are credited to the profit and loss account in the year relating to the associated expenditure.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2 STAFF COSTS

	31/3/07	31/3/06
	£	£
Wages and salaries	3,472,653	3,551,529
Social security costs	250,833	235,557
Other pension costs	566,000	240,000
	<u>4,289,486</u>	<u>4,027,086</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	31/3/07	31/3/06
Office and management	<u>151</u>	<u>163</u>

3 OPERATING LOSS

The operating loss is stated after charging

	31/3/07 £	31/3/06 £
Depreciation - owned assets	19,152	35,432
Auditors' remuneration	13,480	11,124
Operating lease rentals	<u>169,654</u>	<u>132,655</u>

Directors' emoluments	<u>77,832</u>	<u>65,888</u>
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The number of directors to whom retirement benefits were accruing was as follows

Defined benefit schemes	<u>1</u>	<u>1</u>
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4 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	31/3/07 £	31/3/06 £
Current tax		
UK corporation tax	<u>21,134</u>	<u>18,824</u>
Tax on (loss)/profit on ordinary activities	<u>21,134</u>	<u>18,824</u>

UK corporation tax has been charged at 19%

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31/3/07 £	31/3/06 £
(Loss)/profit on ordinary activities before tax	<u>(280,722)</u>	<u>23,478</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 - 19%)	(53,337)	4,461
Effects of Non taxable income and expenses funded by grant	<u>74,471</u>	<u>14,363</u>
Current tax charge	<u>21,134</u>	<u>18,824</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold improvements £	Fixtures, fittings and equipment £	Totals £
COST OR VALUATION				
At 1st April 2006	175,000	31,814	325,396	532,210
Revaluations	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
At 31st March 2007	<u>190,000</u>	<u>31,814</u>	<u>325,396</u>	<u>547,210</u>
DEPRECIATION				
At 1st April 2006	6,500	31,306	291,411	329,217
Charge for year	4,750	508	13,894	19,152
Revaluation adjustments	<u>(11,250)</u>	<u>-</u>	<u>-</u>	<u>(11,250)</u>
At 31st March 2007	<u>-</u>	<u>31,814</u>	<u>305,305</u>	<u>337,119</u>
NET BOOK VALUE				
At 31st March 2007	<u>190,000</u>	<u>-</u>	<u>20,091</u>	<u>210,091</u>
At 31st March 2006	<u>168,500</u>	<u>508</u>	<u>33,985</u>	<u>202,993</u>

Cost or valuation at 31st March 2007 is represented by

	Freehold land and buildings £	Leasehold improvements £	Fixtures, fittings and equipment £	Totals £
Valuation in 2005	95,000	-	-	95,000
Valuation in 2007	55,000	-	-	55,000
Cost	<u>40,000</u>	<u>31,814</u>	<u>325,396</u>	<u>397,210</u>
	<u>190,000</u>	<u>31,814</u>	<u>325,396</u>	<u>547,210</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	31/3/07 £	31/3/06 £
Cost	<u>40,000</u>	<u>40,000</u>
Aggregate depreciation	<u>5,600</u>	<u>4,000</u>

Freehold land and buildings were valued on an open market basis on 31st January 2007 by Barbers, Chartered Surveyors

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

6 DEBTORS

	31/3/07 £	31/3/06 £
Amounts falling due within one year		
Trade debtors	286,396	306,710
Other debtors	12,878	27,351
Called up share capital not paid	1,000	-
Prepayments and accrued income	<u>320,041</u>	<u>239,630</u>
	<u>620,315</u>	<u>573,691</u>
Amounts falling due after more than one year		
Called up share capital not paid	<u>-</u>	<u>1,000</u>
Aggregate amounts	<u>620,315</u>	<u>574,691</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/07 £	31/3/06 £
Trade creditors	238,590	197,327
Taxation	21,134	18,824
Social security and other taxes	95,400	257,083
VAT	-	4,655
Other creditors	273,386	819,884
Accruals and deferred income	<u>717,558</u>	<u>801,562</u>
	<u>1,346,068</u>	<u>2,099,335</u>

8 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Land and buildings
	31/3/07 £	31/3/06 £
Expiring		
Within one year	-	6,863
Between one and five years	-	55,688
In more than five years	<u>-</u>	<u>51,641</u>
	<u>-</u>	<u>114,192</u>

9 PROVISIONS FOR LIABILITIES

	31/3/07 £	31/3/06 £
Other provisions	<u>-</u>	<u>43,608</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

10 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31/3/07 £	31/3/06 £
1,480	'A' Ordinary	£1	1,480	1,480
520	'B' Ordinary	£1	<u>520</u>	<u>520</u>
			<u>2,000</u>	<u>2,000</u>

Allotted and issued Number	Class	Nominal value	31/3/07 £	31/3/06 £
1,480	'A' Ordinary	£1	1,480	1,480
520	'B' Ordinary	£1	<u>520</u>	<u>520</u>
			<u>2,000</u>	<u>2,000</u>

500 'A' ordinary shares of £1 each and 500 'B' ordinary shares of £1 each have been fully paid

11 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Working capital fund £	Totals £
At 1st April 2006	(2,963,008)	199,000	138,650	58,000	(2,567,358)
Deficit for the year	(301,856)				(301,856)
Revaluation	-	-	26,250	-	26,250
Actuarial gain / (loss)	<u>739,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,000</u>
At 31st March 2007	<u>(2,525,864)</u>	<u>199,000</u>	<u>164,900</u>	<u>58,000</u>	<u>(2,103,964)</u>

Profit and loss account
excluding pension liability 628,136
Pension deficit (3,154,000)

Profit and loss account (2,525,864)

12 PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31st March 2004 and updated to 31st March 2007 by a qualified independent actuary. The major assumptions used by the actuary were:

	31/3/07	31/3/06	31/3/05
Rate of increase in salaries	4.85%	4.65%	4.65%
Rate of increase in pensions in payment	3.10%	2.90%	2.90%
Discount rate for scheme liabilities	5.40%	4.90%	5.40%
Inflation assumption	3.10%	2.90%	2.90%

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

12 PENSION COMMITMENTS - continued

The assets in the scheme and the expected rate of return were

	Long-term rate of return expected at 31/3/07	Value at 31/3/07 £	Long-term rate of return expected at 31/3/06	Value at 31/3/06 £	Long-term rate of return expected at 31/3/05	Value at 31/3/05 £
Equities	7.50 %	6,995,000	7 %	6,581,000	7.50 %	5,234,000
Bonds	4.70 %	1,277,000	4.30 %	269,000	4.70 %	194,000
Property	6.50 %	505,000	6 %	423,000	6.50 %	305,000
Cash	5.25 %	175,000	4.50 %	298,000	4.75 %	119,000
Other bonds	5.40 %	<u>1,350,000</u>	4.90 %	<u>2,037,000</u>	5.40 %	<u>1,593,000</u>
Total market value of assets		10,302,000		9,608,000		7,445,000
Present value of scheme liabilities		<u>(13,456,000)</u>		<u>(13,202,000)</u>		<u>(11,126,000)</u>
Deficit in scheme		<u>(3,154,000)</u>		<u>(3,594,000)</u>		<u>(3,681,000)</u>
Net pension liability		<u>(3,154,000)</u>		<u>(3,594,000)</u>		<u>(3,681,000)</u>

Analysis of the amount charged to operating profit

	31/3/07 £	31/3/06 £
Current service cost	566,000	536,000
Past service costs	<u>-</u>	<u>(296,000)</u>
Total operating charge	<u>566,000</u>	<u>240,000</u>

Analysis of the amount credited to other finance income

	31/3/07 £	31/3/06 £
Expected return on pension scheme assets	568,000	494,000
Interest on pension scheme liabilities	<u>(657,000)</u>	<u>(615,000)</u>
Net return	<u>(89,000)</u>	<u>(121,000)</u>

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

12 PENSION COMMITMENTS - continued

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	31/3/07 £	31/3/06 £
Actual return less expected return on pension scheme assets	(64,000)	1,323,000
Changes in assumptions underlying the present value of the scheme liabilities	<u>803,000</u>	<u>(1,242,000)</u>
Actuarial gain recognised in STRGL	<u>739,000</u>	<u>81,000</u>

Movement in deficit during the year

	31/3/07 £	31/3/06 £
Deficit in scheme at start of year	(3,594,000)	(3,681,000)
Current service cost	(566,000)	(536,000)
Contributions	356,000	367,000
Past service costs	-	296,000
Other finance income	(89,000)	(121,000)
Actuarial gain	<u>739,000</u>	<u>81,000</u>
Deficit in scheme at end of year	<u>(3,154,000)</u>	<u>(3,594,000)</u>

History of experience gains and losses

	31/3/07	31/3/06	31/3/05	31/3/04	31/3/03
Difference between the expected and actual return on scheme assets amount (£)	(64,000)	1,323,000	166,000	789,000	(1,553,000)
percentage of scheme assets	(1)%	14%	2%	12%	(34)%
Experience gains and losses on scheme liabilities amount (£)	0	0	(1,128,000)	0	0
percentage of the present value of the scheme liabilities	0%	0%	10%	0%	0%
Total actuarial gain or loss amount (£)	739,000	81,000	(1,703,000)	485,000	(2,251,000)
percentage of the present value of the scheme liabilities	(5)%	(1)%	15%	(6)%	(8)%

**THE SHROPSHIRE AND TELFORD & WREKIN
CONNEXIONS PARTNERSHIP LIMITED**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

13 RELATED PARTY DISCLOSURES

During the year, the company transacted with the following entities, related by shareholding

	31 03 07 £	31 03 06 £
Sale of services		
Shropshire County Council	54,944	211,271
Telford & Wrekin Council	<u>38,343</u>	<u>19,396</u>
	<u>93,287</u>	<u>230,667</u>
 Purchase of services	 31 03 07 £	 31 03 06 £
Shropshire County Council	239,060	123,375
Telford & Wrekin Council	<u>112,567</u>	<u>204,235</u>
	<u>351,627</u>	<u>327,610</u>

At the balance sheet date, the obligations were as follows £22,652 was owed to the company from Shropshire County Council £51,697 was owed to Shropshire County Council in the previous year £3,387 was owed to the company from Telford & Wrekin Council £10,843 was owed to Telford & Wrekin Council in the previous year

Director's relationships

M J Lowe and N Graham are also directors of Shropshire Chamber of Commerce Training and Enterprise Limited, a company related by shareholding

14 ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/3/07 £	31/3/06 £
(Loss)/Profit for the financial year	(301,856)	4,654
Other recognised gains and losses relating to the year (net)	<u>765,250</u>	<u>81,000</u>
Net addition to shareholders' funds	463,394	85,654
Opening shareholders' funds	<u>(2,565,358)</u>	<u>(2,651,012)</u>
Closing shareholders' funds	<u>(2,101,964)</u>	<u>(2,565,358)</u>