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## **VT Southern Careers Limited**

Directors' report and financial  
statements

Registered number 3007083

31 March 2003



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**VT Southern Careers Limited**  
**Directors' report and financial statements**

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# **VT Southern Careers Limited**

## **Directors' report and financial statements**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

#### **Principal activity**

The principal activity of the company is the provision of careers advice and related services.

#### **Business review**

During the year VT Southern Careers Limited continued to provide careers advisory services in Hampshire and the Isle of Wight as well as developing activities outside the core contract.

On 1 April 2002 the Hints business was transferred from VT Southern Careers Limited to VT Careers Management Limited for a consideration of £1. The results of the business are shown within acquisitions in the profit and loss account for VT Careers Management Limited.

#### **Directors and directors' interests**

The directors of the company during the year were as follows:

A McGowan	'A' Director	(alternate SE Tarrant)
C Thompson	'A' Director	(resigned 18 October 2002)
S Swiers	'A' Director	(appointed 19 May 2003)
D Main	'B' Director	(resigned 14 October 2002)
A Seber	'B' Director	(alternate J Wilkinson)
E Wood	'B' Director	(appointed 14 October 2002) (alternate M King)

The company's Articles of Association do not require the directors to retire by rotation.

The 'A' directors are appointed by the 'A' shareholders and the 'B' director is appointed by the 'B' shareholder.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company and other group companies.

According to the register of directors' interests, no rights to subscribe for shares in the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year except as indicated below:

	<b>At 31 March 2003</b>	<b>At 31 March 2002</b>
Ordinary shares in VT Group plc		
S Swiers	<b>6,855</b>	-

The figures below relate to participation in the Vosper Thornycroft Executive Share Option Scheme (or \* the Vosper Thornycroft Executive Share Option Scheme 1996).

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**Directors' report and financial statements**

**Directors' report** *(continued)*

	At start of year	Granted during year	Exercised during year	At year end	Exercise price	Date from which exercisable	Expiry date
A McGowan	*13,030	-	-	*13,030	250.6p	17.11.03	16.11.07
	11,970	-	-	11,970	250.6p	17.11.03	16.11.10
	*35,000	-	-	*35,000	274.4p	26.06.04	25.06.08
	-	*50,000	-	*50,000	299.0p	29.05.05	28.05.09
S Swiers	10,000	-	-	10,000	162.3p	24.05.98	23.05.05

The following directors also have interests in the Vosper Thornycroft Savings Related Share Option schemes, all of which relate to 5 year contracts.

A McGowan

S Swiers

610 options at 258.4p granted 01.09.02

830 options at 166.2p granted 01.09.99  
3,175 options at 258.4p granted 01.09.02

**Dividends and reserves**

The profit for the year available to shareholders after tax amounted to £286,000 (2002: £660,000); the directors recommend the payment of a dividend of £500,000 (2002: £490,000).

**Employment of disabled persons**

Full and fair consideration is given to employment applications from disabled persons having regard to their particular aptitude and abilities. If an appropriate vacancy is available then, where practicable, arrangements will be made to continue the employment of an employee who becomes disabled. Disabled employees are given fair consideration for training, career development and promotion.

**Employment policies**

The development of employee involvement in the company's business is kept under regular review and the directors are committed to encouraging greater involvement of all employees. Formal and informal briefing of employees takes place as appropriate.

The company takes all reasonable steps to ensure that all employment conditions are applied regardless of sex, race, colour, ethnic background, religion or disability.

**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



20 October 2003

**PG Dawes**  
Secretary

## **VT Southern Careers Limited**

### **Directors' report and financial statements**

#### **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 fraud and other irregularities.



## KPMG Audit Plc

Dukes Keep  
Marsh Lane  
Southampton  
Hampshire SO14 3EX

### Report of the independent auditors to the members of VT Southern Careers Limited

We have audited the financial statements on pages 5 to 16.

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 3, 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 2003 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

*26 January 2004*

**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Profit and loss account**  
*for the year ended 31 March 2003*

		2003		2002	
	Notes	£000	£000	£000	£000
<b>Turnover</b>					
Continuing operations		9,990		9,179	
Discontinued operations		-		981	
	2		9,990		10,160
<b>Operating costs</b>					
Continuing operations		(9,587)		(8,345)	
Discontinued operations		-		(977)	
			(9,587)		(9,322)
<b>Operating profit</b>					
Continuing operations		403		834	
Discontinued operations		-		4	
			403		838
Other interest receivable and similar income	5		42		78
<b>Profit on ordinary activities before taxation</b>	6		445		916
Tax on profit on ordinary activities	7		(159)		(256)
<b>Profit on ordinary activities after taxation</b>			286		660
Dividend	8		(500)		(490)
<b>Retained (loss)/profit for the financial year</b>	13		(214)		170

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

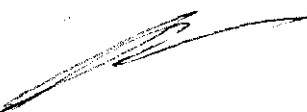
**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Balance sheet**

*at 31 March 2003*

	<i>Notes</i>	<b>2003 £000</b>	<b>2002 £000</b>
<b>Fixed assets</b>			
Tangible fixed assets	9	<u>47</u>	<u>90</u>
<b>Current assets</b>			
Stocks		-	49
Debtors	10	<u>1,556</u>	<u>1,755</u>
Cash at bank and in hand		<u>1,588</u>	<u>1,293</u>
		<b>3,144</b>	<b>3,097</b>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,059)</u>	<u>(1,841)</u>
<b>Net current assets</b>		<u><b>1,085</b></u>	<u><b>1,256</b></u>
<b>Net assets</b>		<u><b>1,132</b></u>	<u><b>1,346</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	<b>20</b>	<b>20</b>
Profit and loss account	13	<u><b>1,112</b></u>	<u><b>1,326</b></u>
<b>Equity shareholders' funds</b>	14	<u><b>1,132</b></u>	<u><b>1,346</b></u>

These financial statements were approved by the board of directors on 20 October 2003 and were signed on its behalf by:



**A McGowan**  
*Director*



**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Cash flow statement**  
*for the year ended 31 March 2003*

	Notes	2003 £000	2002 £000
<b>Cash flow from operating activities</b>	15	<u>1,014</u>	<u>149</u>
<b>Returns on investment and servicing of finance</b>			
Interest received		<u>42</u>	<u>83</u>
<b>Net cash inflow from returns on investment and servicing of finance</b>		<u>42</u>	<u>83</u>
<b>Taxation</b>		<u>(280)</u>	<u>(254)</u>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		<u>(4)</u>	<u>(108)</u>
Sale of tangible fixed assets		<u>13</u>	<u>13</u>
<b>Net cash inflow/(outflow) from capital expenditure</b>		<u>9</u>	<u>(95)</u>
<b>Equity dividends paid</b>		<u>(490)</u>	<u>(379)</u>
<b>Increase/(Decrease) in cash in the year</b>	17	<u>295</u>	<u>(496)</u>

# **VT Southern Careers Limited**

## **Directors' report and financial statements**

### **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 accounting rules.

##### ***Turnover***

Turnover represents the value of services provided to customers during the period less VAT.

##### ***Fixed assets and depreciation***

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

Office equipment	-	3-4 years
Motor vehicles	-	4 years

##### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain tax items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

##### ***Pension costs***

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with independent trustee administered funds. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

The company has adopted the transitional disclosure requirements of FRS17.

##### ***Stock***

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### **2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Notes** *(continued)*

**3 Staff numbers and costs**

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

	<b>Number of employees</b>	
	<b>2003</b>	<b>2002</b>
Administration staff	5	7
Careers advisory staff	198	203
	<u>203</u>	<u>210</u>

The aggregate payroll costs of these persons were as follows:

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	3,897	3,815
Social security costs	258	288
Other pension costs	545	500
	<u>4,700</u>	<u>4,603</u>

**4 Remuneration of directors**

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	-	1

**5 Other interest receivable and similar income**

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Other interest receivable	42	78

**6 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Depreciation	34	32
Auditor's remuneration	5	3
Other fees paid to the auditors and its associates	1	3

**VT Southern Careers Limited**  
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**Notes** *(continued)*

**7 Taxation**

	<b>2003</b>	2002
	<b>£000</b>	£000
<i>UK corporation tax</i>		
Current tax on profits of the year	<b>137</b>	282
Adjustments in respect of prior years	<b>(3)</b>	(16)
Total current tax	<b>134</b>	266
<i>Deferred tax</i>		
Origination/reversal of timing differences	<b>25</b>	(10)
<b>Tax on profit on ordinary activities</b>	<b>159</b>	256

***Factors affecting the tax charge for the current period***

The current tax charge for the year is equal (2002: *lower*) to the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	<b>2003</b>	2002
	<b>£000</b>	£000
Profit on ordinary activities before tax	<b>445</b>	916
Profit on ordinary activities multiplied by standard rate in UK of 30% (2002: 30%)	<b>134</b>	275
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	19
Difference between capital allowances and depreciation, and capital expenditure within revenue	<b>3</b>	(23)
Movement in short-term timing differences	-	11
Adjustment to tax charge in respect of prior years	<b>(3)</b>	(16)
Current tax charge for the year	<b>134</b>	266

***Factors affecting future tax charge***

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years but at a slightly lower level than in the current year. Furthermore a deferred tax asset of £88,000 has not been recognised as it is anticipated that there will be a high level of future revenue expenditure which will be capital for tax purposes and hence offset any excess capital allowances over depreciation.

**8 Dividends**

	<b>2003</b>	2002
	<b>£000</b>	£000
Equity shares:		
Final dividend proposed	<b>500</b>	490

**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Notes (continued)**

**9 Tangible fixed assets**

	<b>Motor vehicles £000</b>	<b>Office equipment £000</b>	<b>Total £000</b>
<b>Cost</b>			
At beginning of year	16	197	213
Additions	-	4	4
Disposals	-	(15)	(15)
At end of year	16	186	202
<b>Depreciation</b>			
At beginning of year	5	118	123
Charge for year	2	32	34
Disposals	-	(2)	(2)
At end of year	7	148	155
<b>Net book value</b>			
<b>At 31 March 2003</b>	<b>9</b>	<b>38</b>	<b>47</b>
At 31 March 2002	11	79	90

**10 Debtors**

	<b>2003 £000</b>	<b>2002 £000</b>
Trade debtors	793	808
Amounts owed by group undertakings	57	114
Other debtors	1	7
Prepayments and accrued income	705	801
Recoverable taxation	-	25
	<b>1,556</b>	<b>1,755</b>

Deferred tax movements are:

	<b>Deferred taxation £000</b>
At beginning of year	25
Charged during the year	(25)
<b>At end of year</b>	<b>-</b>

The deferred tax asset is analysed as follows:

	<b>2003 £000</b>	<b>2002 £000</b>
Short term timing differences	-	25

**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Notes** *(continued)*

**11 Creditors: amounts falling due within one year**

	2003 £000	2002 £000
Trade creditors	392	176
Amounts owed to group undertakings	339	90
Corporation tax	137	282
Other taxes and social security costs	333	372
Other creditors	66	123
Accruals and deferred income	292	308
Proposed dividend	500	490
	<u>2,059</u>	<u>1,841</u>

**12 Called up share capital**

	2003 £000	2002 £000
<b>Authorised</b>		
75,100 'A' ordinary shares of £1each	75	75
19,900 'B' ordinary shares of £1each	20	20
5,000 'C' ordinary shares of £1each	5	5
	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
15,020 'A' ordinary shares of £1each	15	15
3,980 'B' ordinary shares of £1each	4	4
1,000 'C' ordinary shares of £1each	1	1
	<u>20</u>	<u>20</u>

All dividends which shall be declared and distributed shall, for such period as shares in the capital of the company are split between A shares, B shares and C shares be declared and distributed so that:-

- the holders of the A shares shall be entitled to receive, in aggregate, 47.5% of the dividends;
- the holders of the B shares shall be entitled to receive, in aggregate 47.5% of the dividends; and
- the holders of the C shares shall be entitled to receive, in aggregate, 5% of the dividends.

The dividends payable to the holders of the A shares, B shares and C shares respectively shall be paid pro-rata according to the percentage their holding of shares of the respective class bears to the aggregate number of shares of that class in issue.

**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Notes** *(continued)*

**13 Reserves**

	<b>Profit and loss account £000</b>
At beginning of year	1,326
Retained loss for the financial year	<u>(214)</u>
<b>At end of year</b>	<b><u>1,112</u></b>

**14 Reconciliation of movements in shareholders' funds**

	<b>2003 £000</b>	<b>2002 £000</b>
Profit for the financial year	286	660
Dividends	<u>(500)</u>	<u>(490)</u>
Net (reduction in)/addition to shareholders' funds	(214)	170
Opening shareholders' funds	<u>1,346</u>	<u>1,176</u>
<b>Closing shareholders' funds</b>	<b><u>1,132</u></b>	<b><u>1,346</u></b>

**15 Reconciliation of operating profit to operating cash flows**

	<b>2003 £000</b>	<b>2002 £000</b>
Operating profit	403	838
Depreciation	34	32
Decrease/(Increase) in stocks	49	(37)
Decrease/(Increase) in debtors	193	(658)
Increase/(Decrease) in creditors	<u>335</u>	<u>(26)</u>
<b>Net cash inflow from operating activities</b>	<b><u>1,014</u></b>	<b><u>149</u></b>

**16 Reconciliation of net cash flow to movement in net funds**

	<b>2003 £000</b>	<b>2002 £000</b>
Increase/(Decrease) in cash in year	295	(496)
Net funds at beginning of year	<u>1,293</u>	<u>1,789</u>
<b>Net funds at end of year</b>	<b><u>1,588</u></b>	<b><u>1,293</u></b>

**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Notes** *(continued)*

**17 Analysis of net funds**

	At 1 April 2002 £000	Cash flow £000	At 31 March 2003 £000
Cash at bank	<u>1,293</u>	<u>295</u>	<u>1,588</u>

**18 Commitments under operating leases**

Annual commitments under non-cancellable operating leases are as follows:

	2003		2002	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
Within one year	60	5	-	2
Within two to five years	162	12	81	17
Over five years	<u>-</u>	<u>-</u>	<u>134</u>	<u>-</u>
	<u>222</u>	<u>17</u>	<u>215</u>	<u>19</u>

**19 Related party transactions**

During the year the company entered into transactions with related parties. These consisted of Vosper Thornycroft (UK) Limited and Hampshire County Council, both shareholders of the company, VT Services Limited, VT Careers Management Limited, Surrey Careers Services Limited, Vosper ManTech Limited, VT International Services Limited and Careers Enterprises Limited, which are subsidiaries of Vosper Thornycroft (UK) Limited. The following amounts were charged to the company for services received; these were on an arm's length basis:

	2003 £000	2002 £000
Careers Enterprise Limited	81	234
Surrey Careers Services Ltd	1	-
Hampshire County Council	178	75
Vosper Thornycroft (UK) Limited	5	14
VT Career Progressions Limited	10	19
VT Careers Management Limited	1612	1,428
VT International Services Limited	511	199
VT Services Limited	-	54
VT Training Limited	-	3
VT West Sussex Careers Limited	2	71



**VT Southern Careers Limited**  
**Directors' report and financial statements**

**Notes** *(continued)*

**19 Related party transactions** *(continued)*

The following amounts were charged by the company for services rendered; these were on an arm's length basis.

	2003 £000	2002 £000
Careers Enterprise Limited	116	51
Surrey Careers Services Limited	10	25
Vosper Thornycroft (UK) Limited	1	2
VT Career Progressions Limited	-	1
VT Careers Management Limited	95	76
VT International Services Limited	1	1
VT West Sussex Careers Limited	6	18

The following balances were owed by/(to) the following companies at 31 March:

	2003 £000	2002 £000
Careers Enterprise Limited	(33)	84
Surrey Careers Services Limited	2	6
Vosper Thornycroft (UK) Limited	-	1
VT Career Progressions Limited	(4)	1
VT Careers Management Limited	(237)	(89)
VT Education	-	6
VT International Services Limited	(11)	(233)
VT Services Limited	-	13
VT West Sussex Careers Limited	1	4

**20 Pension arrangements**

The company participates in the VT Group plc group pension scheme. The pension scheme is administered by independent trustees and the funds are separate from the company's finances. The scheme is of the defined benefits type and actuarial valuations are undertaken every three years. The rates at which the company contributes to the scheme have been determined in accordance with the advice of independent qualified actuaries. The latest valuation of the scheme, of which most employees are members, was at 1 April 2001 using the attained age method. The principal assumption in this valuation was that investment returns would be 2% higher than the rate of annual pay increases. The market value of the assets was £182 million, and the actuarial value of the assets was sufficient to cover 120% of the benefits accruing to members after allowing for expected future pay increases. The surplus revealed by the actuarial valuation will be spread over the expected remaining service lives of scheme members currently employed by the company.

The company is a member of a pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits' the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme.

**VT Southern Careers Limited**  
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**Notes** *(continued)*

**21 Ultimate holding company**

The company is a subsidiary undertaking of VT International 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.