

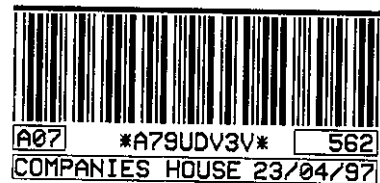
**EDUCATION LECTURING SERVICES**

**(A Company limited by guarantee and not having a share capital)**

**Registered Number: 3009979**

**DIRECTORS' REPORT AND ACCOUNTS**

**FIFTEEN MONTH PERIOD ENDED 30 JUNE 1996**



## **EDUCATION LECTURING SERVICES**

(A Company limited by guarantee and not having a share capital)

### **DIRECTORS' REPORT FOR THE FIFTEEN MONTH PERIOD ENDED 30 JUNE 1996**

The directors submit their report on the company and the audited accounts for the 15 months ended 30 June 1996. During the period the company's year end was changed to 30 June on 20 June 1996.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is the supply of specialist lecturing services to colleges of further and higher education.

Services to provide the training and professional development needs of lecturers are being developed in partnerships.

#### **BUSINESS REVIEW**

The company commenced trading on 1 April 1995 and made a loss of £1,139,000 in the period. The loss is to be transferred to reserves.

Education Lecturing Services ("ELS") has already established itself as the principal provider of lecturing services in the further education sector. Underlying financial pressures on college corporations has worsened over the last 2 years and are set to be even more difficult going forward. ELS has a national presence operating in every English region. Work with the Association of Scottish colleges led to the launch of ELS Scotland in October 1996 and preliminary discussions have begun with colleges in Wales and Northern Ireland to launch services for Autumn 1996 and 1997 respectively.

ELS continues to be the only provider to receive the formal endorsement of the Association of Colleges, the English further education sector employers' organisation.

Growth in 1996/97 will be achieved as existing client colleges extend their use of ELS services and as new colleges register with the service.

#### **DIRECTORS AND DIRECTORS' INTEREST**

The directors of the company who held office during the period are:

G Lennox	
T Parkes	(Appointed 16 July 1996)
R Fielding	(Appointed 16 July 1996)
J N Kirkland (Chairman)	(Resigned 16 July 1996)
M S Sheldon	(Resigned 16 July 1996)

## **EDUCATION LECTURING SERVICES**

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### **DIRECTORS' REPORT FOR THE FIFTEEN MONTH PERIOD ENDED 30 JUNE 1996**

#### **DIRECTORS AND DIRECTORS' INTEREST (CONTINUED)**

None of the directors had any interest in the Company at the year end.

Messrs J N Kirkland and M S Sheldon held a non beneficial interest in one ordinary share of £1 each in Protocol National Limited, the ultimate parent company.

#### **SUBSEQUENT EVENTS**

On 16 July 1996, the company's member and guarantor, Protocol National Limited, was the subject of a management buy out. ELS Group Limited acquired the whole of the share capital of Protocol National Limited. As a result of that transaction amounts due to Bowmer and Kirkland Limited, the company's previous holding company, totalling £12,030 were waived.

#### **DIRECTORS' RESPONSIBILITIES**

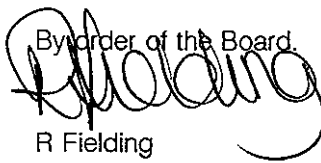
Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- 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 accounts;
- prepare the accounts 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 accounts 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.

#### **AUDITORS**

Price Waterhouse were appointed auditors in the period and in accordance with Section 385 of the Companies Act 1985, a resolution for their reappointment is to be proposed at the forthcoming Annual General Meeting.

By order of the Board  
  
R Fielding  
Director

28 November 1996

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBER OF  
EDUCATION LECTURING SERVICES  
(A Company limited by guarantee and not having a share capital)**

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately discussed.

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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1996 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

28 November 1996

## EDUCATION LECTURING SERVICES

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### PROFIT AND LOSS ACCOUNT

FOR THE FIFTEEN MONTH PERIOD ENDED 30 JUNE 1996

	15 months 30 June 1996 £'000	3 months 31 March 1995 £'000
<b>TURNOVER</b> (Note 2)	7,788	-
Cost of sales	<u>(7,355)</u>	<u>-</u>
<b>GROSS PROFIT</b>	433	-
Administrative expenses	<u>(1,572)</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 4)	(1,139)	-
Taxation (Note 5)	<u>-</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD</b>	<u>(1,139)</u>	<u>-</u>

There are no recognised gains or losses other than the loss for the financial period shown above and all operations are continuing operations.

The notes on pages 6 to 9 form part of the accounts.

## EDUCATION LECTURING SERVICES

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### BALANCE SHEET AS AT 30 JUNE 1996

	<u>30 June 1996</u>		<u>31 March 1995</u>	
	£'000	£'000	£'000	£'000
<b>CURRENT ASSETS</b>				
Debtors (Note 7)	802		-	
Cash at bank and in hand	<u>339</u>		<u>-</u>	
	1,141		-	
<b>CREDITORS - Amounts falling due within one year (Note 8)</b>	<u>(2,280)</u>		<u>-</u>	
<b>NET CURRENT LIABILITIES</b>		(1,139)		-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,139)		-
		<u>=====</u>		<u>=====</u>
<b>RESERVES</b>				
Profit and loss account - loss for the period		(1,139)		-
		<u>=====</u>		<u>=====</u>

APPROVED BY THE BOARD  
28 November 1996



G Lennox  
Director

The notes on pages 6 to 9 form part of these accounts

## **EDUCATION LECTURING SERVICES**

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### **NOTES TO THE ACCOUNTS - 30 JUNE 1996**

#### **1 ACCOUNTING POLICIES**

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

##### **(1) Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company has taken advantage of the requirement not to produce a cashflow statement as it qualifies as a small company under Sections 246 to 249 of the Companies Act 1985.

##### **(2) Pensions**

Pension contributions which are to schemes that have characteristics of a defined contribution scheme are charged to the profit and loss account as incurred.

##### **(3) Deferred taxation**

Deferred taxation arising from timing differences between profits reflected in the accounts and profits calculated for tax purposes is recognised in those cases where the difference is expected to reverse in the foreseeable future.

#### **2 TURNOVER**

Turnover represents the amounts chargeable to UK customers in respect of the reporting period arising from the company's principal activity.

## **EDUCATION LECTURING SERVICES**

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### **NOTES TO THE ACCOUNTS - 30 JUNE 1996 (CONTINUED)**

#### **3 STAFF NUMBERS AND COSTS**

The average number of persons employed by the company during the period was 41. (1995: Nil)

	<u>1996</u> £'000	<u>1995</u> £'000
The payroll costs of these persons were as follows:		
Wages and salaries	959	-
Social security costs	83	-
Other pension costs	<u>17</u>	<u>-</u>
	1,059	-
	<u><u>1,059</u></u>	<u><u>-</u></u>

#### **4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities before taxation is stated after charging the following:

	<u>1996</u> £'000	<u>1995</u> £'000
Auditors' remuneration	5	-
Training	86	-
Start up costs, comprising:		-
- Professional fees	498	-
- Reorganisation costs	137	-

#### **5 TAXATION**

No taxation arises on the result of the period. (1995: Nil) Losses of £1,053,000 are to be carried forward to set against future trading profits.

A potential deferred tax asset at 33% of £347,622 has not been recognised. This amount arises as a result of timing differences between charges made in these accounts and the receipt of tax relief.



## EDUCATION LECTURING SERVICES

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### NOTES TO THE ACCOUNTS - 30 JUNE 1996 (CONTINUED)

#### 6 DIRECTORS' EMOLUMENTS

The total emoluments of the highest paid director amounted to £84,767 (1995: Nil) of which £2,750 related to pension contributions. The Chairman and the other directors received no emoluments. (1995: Nil)

#### 7 DEBTORS

	<u>1996</u> £'000	<u>1995</u> £'000
Trade debtors	71	-
Amounts due from parent company	15	-
Prepayments and accrued income	<u>716</u>	<u>-</u>
	802	-
	<u>      </u>	<u>      </u>

#### 8 CREDITORS - Amounts falling due within one year

	<u>1996</u> £'000	<u>1995</u> £'000
Trade creditors	24	-
Amounts due to group undertakings	1,259	-
Other taxes and social security	233	-
Accruals and deferred income	<u>764</u>	<u>-</u>
	2,280	-
	<u>      </u>	<u>      </u>

#### 9 CONTINGENT LIABILITIES

The company issued a guarantee on 19 April 1996 in favour of National Westminster Bank plc in respect of the indebtedness of Protocol National Limited, which at 30 June 1996 amounted to £39,335. The company issued a debenture on 19 April 1996 to National Westminster Bank plc, over all the property and undertakings of the company.

#### 10 PARENT COMPANY

The sole member and guarantor of Education Lecturing Services is Protocol National Limited. The company which, at 30 June 1996, was considered to be the ultimate parent company was Bowmer and Kirkland Limited, which is incorporated and registered in England. A copy of the accounts of Bowmer and Kirkland can be obtained from the Company Secretary, High Edge Court, Heage, Derbyshire, DE56 2BW.

## **EDUCATION LECTURING SERVICES**

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### **NOTES TO THE ACCOUNTS - 30 JUNE 1996 (CONTINUED)**

#### **11 PENSIONS**

A defined contribution scheme is in operation with Clerical Medical where the company contributes a fixed contribution to individual employee's schemes, but has no further liability to provide retirement benefits once the employee is no longer employed by the company. The contributions for the period amount to £17,000.

#### **12 SUBSEQUENT EVENTS**

On 16 July 1996, the company's member and guarantor, Protocol National Limited was the subject of a management buy out. ELS Group Limited acquired the whole of the share capital of Protocol National Limited. As a result of that transaction amounts due to Bowmer and Kirkland, the company's previous holding company, totalling £12,030 were waived.