

Education Lecturing Services

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

Registered Number 3009979

Annual Report and Financial Statements

for the year ended 30 June 2009



The directors submit their report and the audited financial statements of the company for the year ended 30 June 2009

Principal activity, review of business and future developments

Education Lecturing Services ("the company") previously supported colleges of further education in the delivery of their programmes through the use of visiting lecturers from Protocol National's (a fellow group company) large database of lecturers

Following the withdrawal of the eligible body status of Education Lecturing Services, the directors concluded that, to protect the interests of the creditors and staff and to maximise cash generation, the business should be the subject of an orderly wind down. Since February 2008 Education Lecturing Services has ceased to supply lecturers to colleges. Some residual revenues were recorded in the year to 30th June 2009, alongside costs of winding down the business.

The results for the company show a profit before tax of £32,000 (2008 £192,000) for the year and sales of £12,000 (2008 £14,632,000).

The company is limited by guarantee and has no share capital.

Directors

The directors of the company who held office during the year and subsequently were

D Lewis (resigned 10 December 2008, appointed 28 May 2009)

P Harrison

K Downs (resigned 31 October 2008)

P Fox (resigned 10 December 2008)

D Wilkinson (appointed 1 October 2009)

Financial Risk Management

Liquidity risk and interest rate risk are managed at group level as the company is part of a group pooling arrangement and is funded through intercompany balances with entities that carry the group's external debt. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Creditor's payment policy

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the supplier. At 30 June 2009 unpaid creditors of the company amounted to nil days of purchases (2008 30 days).

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and 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 accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies:

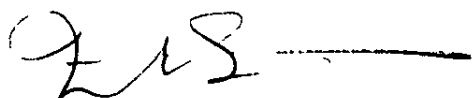
- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the forthcoming Annual General Meeting.

By order of the Board

29 March 2010



D Wilkinson
Director

Registered Number 3009979

We have audited the financial statements of Education Lecturing Services for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Teager BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

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March 2010

Profit and loss account for the year ended 30 June 2009*Page 5*

	<i>Note</i>	2009 £'000	2008 £'000
Turnover	2	12	14,632
Cost of sales		-	(14,628)
Gross profit		12	4
Administrative expenses		-	(4)
Operating profit	4	12	-
Interest receivable and similar income	5	20	193
Interest payable and similar charges	6	-	(1)
Profit on ordinary activities before taxation		32	192
Tax on profit on ordinary activities	7	(62)	(57)
(Loss)/profit for the financial year	10	(30)	135

There is no difference between the profit on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

There are no recognised gains or losses other than the loss for the year shown above, and therefore no separate statement of total gains and losses has been presented. All operations have been discontinued, although minimal costs are expected in the coming year.

The notes on pages 7 to 11 form part of these financial statements

Balance sheet as at 30 June 2009**Page 6**

	<i>Note</i>	2009 £'000	2008 £'000
<i>Current assets</i>			
Debtors – amounts falling due within one year	8	1,135	1,155
Cash at bank		298	338
		1,433	1,493
Creditors - amounts falling due within one year	9	(867)	(897)
Net current assets		566	596
Net assets		566	596
<i>Reserves</i>			
Profit and loss account	10	566	596
Total Reserves		566	596

Approved by the Board

29 March 2010

**P V Harrison**
Director

The notes on pages 7 to 11 form part of these financial statements

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Accounting convention and cash flow statement

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom, all of which have been applied consistently throughout the year and the preceding year. Where a choice of treatment is available, the directors apply the most appropriate accounting policy and estimation technique in accordance with Financial Reporting Standard 18 (FRS 18) Accounting Policies.

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard (revised 1996) (FRS 1) Cash flow Statements, as it is a wholly owned subsidiary of Protocol Associates NV, a company registered in Belgium which prepares consolidated accounts which are publicly available.

Basis of preparation

The group continues to be in breach of certain banking covenants. Significant debt was repaid to the bank by the Group in September 2007 following the sale of the entire share capital of Protocol Skills Limited.

The directors are in the process of agreeing revised banking facilities with its bankers. Whilst these facilities have not yet been formally agreed, the directors' view, based on communications with its bankers, is that the facilities have been agreed in principle and are likely to be approved shortly.

The VAT position of the Company is historically complex as a result of the sector in which it operates. In 2004 HMRC initiated a review of the company's VAT status. The companies within the relevant VAT group continue to negotiate the consequences of that review, which are subject to appeal, and they have made provision for potential costs and liabilities which, in the view of the directors, are due. Whilst a protective VAT assessment has been raised by HMRC, the directors are of the view that no material adjustment to the provisions is necessary.

The financial statements have therefore been prepared by the directors on a going concern basis which assumes the continued support of the group's bankers by way of existing loan and working capital facilities.

The Group holding company has agreed to support the company for its foreseeable future.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2 Turnover

Turnover represents the amounts chargeable to UK customers arising from the company's principal activity and is invoiced in line with the delivery of services

3 Directors' emoluments

Directors' emoluments in respect of services to the company for the year ended 30 June 2009 are borne by Protocol Systems Limited and Protocol National Limited, other group companies, and their emoluments are shown in the financial statements of those companies. Copies of these financial statements can be obtained from the Company Secretary, Castle Marina Road, Castle Marina Park, Nottingham, NG7 1TN. The directors receive no emoluments for services to this company.

4 Operating profit

Operating profit is stated after charging		2009 £'000	2008 £'000
Auditors' remuneration	- for audit work	-	-
	- for taxation services	-	3

The auditors received remuneration of £2,000 for the audit of the Company's financial statements for the year ended 30 June 2009 which was paid by Protocol National Limited and was not recharged.

5 Interest receivable and similar income

	2009 £'000	2008 £'000
Bank interest	20	193

6 Interest payable and similar charges

	2009 £'000	2008 £'000
Bank charges	-	1

7 Tax on profit on ordinary activities

The tax charge, based on the loss for the year, comprises

	2009 £'000	2008 £'000
Current tax		
UK Corporation tax at 28% (2008 29.5%)	28	57
Under provision in respect of prior years	34	-
Tax on profit on ordinary activities	62	57

Factors affecting tax charge for the year

The tax assessed for the year is higher (2008 the same as) the 28% (2008 29.5%) standard rate of corporation tax in the UK. The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	32	192
Profit on ordinary activities multiplied by 28% (2008 29.5%) standard rate of corporation tax in the UK	9	57
Effects of		
Permanent differences	19	-
Adjustments in respect of previous years	34	-
Other timing differences	-	-
Actual tax on profit on ordinary activities	62	57

8 Debtors – amounts falling due within one year

	2009 £'000	2008 £'000
Trade debtors	-	19
Amounts owed by group undertakings	1,135	1,136
	1,135	1,155

9 Creditors - amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	-	6
Accruals and deferred income	840	844
Corporation tax	27	47
	867	897

10 Reserves

	Profit and loss account £'000
At 1 July 2008	596
Loss for the financial year	(30)
At 30 June 2009	566

11 Contingent liabilities

The group, as part of an interest set-off arrangement, has guaranteed the overdraft facilities of subsidiary companies. The maximum liability under the guarantee is limited to the credit balances in those accounts which totals £46,478,000 at 30 June 2009 (2008 £37,339,000) which are part of the interest set-off arrangement together with the proceeds of any items in the course of collection for the credit of such bank accounts.

Bank debt owing by the Group is secured by fixed and floating charges across the undertakings of the Group. At the balance sheet date, the Group's banking facilities were repayable by April 2010. The directors are in the process of agreeing revised banking facilities with its bankers. Whilst these facilities have not yet been formally agreed, the directors' view, based on communications with its bankers, is that the facilities have been agreed in principle and are likely to be approved shortly.

The VAT position of the Company is historically complex as a result of the sector in which it operates. In 2004 HMRC initiated a review of the company's VAT status. The companies within the relevant VAT group continue to negotiate the consequences of that review, which are subject to appeal, and they have made provision for potential costs and liabilities which in the view of the directors are due. Whilst a protective VAT assessment has been raised by HMRC, the directors are of the view that no material adjustment to the provisions is necessary.

12 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 Related Party Disclosure for 90% owned subsidiaries not to disclose related party transactions with members of the same group

13 Group restructure

In December 2009 the Group undertook a reorganisation in order to group related trading assets together. As a result of this reorganisation certain entities within the Group are now owned by different intermediate holding companies.

Following this restructure the sole member and guarantor of Education Lecturing Services is PNI Holdings Limited. This company is the immediate parent undertaking.

14 Ultimate parent company

Protocol Associates NV is the smallest and largest group to consolidate these financial statements. Protocol Associates NV is registered in Belgium. Copies of the group financial statements can be obtained from the Company Secretary, Castle Marina Road, Castle Marina Park, Nottingham, NG7 1TN.

Bridgepoint Capital (Nominees) Limited have a majority shareholding in Protocol Associates NV. This shareholding is for the benefit of a number of investment vehicles managed by Bridgepoint Capital Limited. In the opinion of the directors there is no ultimate controlling party. Copies of the financial statements of these companies are available at their registered office at 30 Warwick Street, London, W1B 5AL.