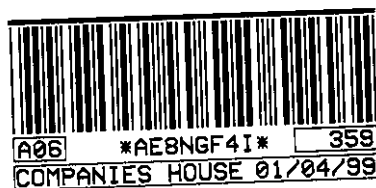


**EDUCATION LECTURING SERVICES**

**(A company limited by guarantee and not having a share capital) (Registered Number: 3009979)**

**DIRECTORS' REPORT AND ACCOUNTS**

**YEAR ENDED 30 JUNE 1998**



**EDUCATION LECTURING SERVICES**  
**(A company limited by guarantee and not having a share capital)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 1998**

The directors submit their report and the audited accounts for the year ended 30 June 1998.

**PRINCIPAL ACTIVITY**

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

**REVIEW OF THE BUSINESS**

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

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

The directors are satisfied with the company's performance and growth in 1998/99 will be achieved as existing client colleges extend their use of ELS services and as new colleges register with the service.

**DIRECTORS**

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

G Lennox	
T Parkes	(Resigned 27 February 1998)
R Fielding	
F Lord	

None of the directors had any beneficial interest in the share capital of the company at the year end.

At 30 June 1998, the company's ultimate parent was ELS Group Limited. The interests of the directors in the shares of ELS Group Limited are disclosed in the accounts of ELS Group Limited.

## **EDUCATION LECTURING SERVICES**

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

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 1998**

#### **DIRECTORS' RESPONSIBILITIES**

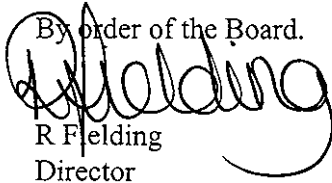
Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- 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**

The auditors, PricewaterhouseCoopers were appointed to fill a casual vacancy and a resolution concerning their re-appointment will be proposed at the forthcoming Annual General Meeting.

By order of the Board.  
  
R Felding  
Director

21 December 1998

**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 8 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 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 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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors

21 December 1998

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

PricewaterhouseCoopers is a member of PricewaterhouseCoopers International Limited, a company limited by guarantee registered in England and Wales.

**EDUCATION LECTURING SERVICES**  
**(A company limited by guarantee and not having a share capital)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 1998**

	<u>1998</u> £'000	<u>1997</u> £'000
<b>TURNOVER</b> (Note 2)	42,860	24,121
Cost of sales	<u>(38,063)</u>	<u>(21,275)</u>
<b>GROSS PROFIT</b>	4,797	2,846
Administrative expenses	<u>(4,750)</u>	<u>(1,702)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 4)	47	1,144
Taxation (Note 5)	<u>(131)</u>	<u>(40)</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b> (Note 12)	<u>(84)</u>	<u>1,104</u>

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

The notes on pages 6 to 8 form part of the accounts.

**EDUCATION LECTURING SERVICES****(A company limited by guarantee and not having a share capital)****BALANCE SHEET - 30 JUNE 1998**

	<u>1998</u>		<u>1997</u>	
	£'000	£'000	£'000	£'000
<b>CURRENT ASSETS</b>				
Debtors (note 7)	8,096		3,590	
Cash at bank and in hand	<u>166</u>		<u>219</u>	
	8,262		3,809	
<b>CREDITORS - Amounts falling due</b>				
Within one year (Note 8)	<u>(8,381)</u>		<u>(3,844)</u>	
<b>NET CURRENT LIABILITIES</b>		(119)		(35)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(119)		(35)
<b>RESERVES</b>		==		==
Profit and loss account (Note 12)		(119)		(35)
		==		==

APPROVED BY THE BOARD

21 December 1998

G Lennox  
Director

The notes on pages 6 to 8 form part of these accounts

## **EDUCATION LECTURING SERVICES**

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

### **NOTES TO THE ACCOUNTS - 30 JUNE 1998**

#### **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.

##### **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 in accordance with FRS1 (Revised) as it is a member of a group which prepares consolidated accounts which include a cashflow statement and are publicly available.

##### **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.

##### **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.

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

The average number of persons employed by the company during the period was 59 (1997: 39).

	<u>1998</u>	<u>1997</u>
	£'000	£'000

The payroll costs of these persons were as follows:

Wages and salaries	1,393	776
Social security costs	115	74
Other pension costs	<u>57</u>	<u>59</u>
	1,565	909
	<u><u>          </u></u>	<u><u>          </u></u>

## EDUCATION LECTURING SERVICES

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

### NOTES TO THE ACCOUNTS - 30 JUNE 1998 (CONTINUED)

#### 4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1998</u> £'000	<u>1997</u> £'000
Auditors' remuneration	8	8
Training	62	45

Auditors' remuneration for non-audit services amounted to £24,000 (1997 : £9,700).

#### 5 TAXATION

	<u>1998</u> £'000	<u>1997</u> £'000
Corporation tax at 31% (1997 : 31%/33%)	131	40
	==	==

A potential deferred tax asset of £12,400 (1997:nil) has not been recognised in these accounts as it is not expected to be realised in the foreseeable future.

#### 6 DIRECTORS' EMOLUMENTS

	<u>1998</u> £'000	<u>1997</u> £'000
Aggregate emoluments	224	209
Company contributions paid to money purchase schemes	14	10
Compensation for loss office	180	-
Highest paid director:		
Total amount of emoluments excluding pensions	89	80
Company contributions paid to money purchase pension scheme	5	4

#### 7 DEBTORS

	<u>1998</u> £'000	<u>1997</u> £'000
Trade debtors	4,477	2,858
Amounts due from parent company	3,450	665
Other debtors	<u>169</u>	<u>67</u>
	8,096	3,590
	==	==



## EDUCATION LECTURING SERVICES

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

### NOTES TO THE ACCOUNTS - 30 JUNE 1998 (CONTINUED)

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

	<u>1998</u> £'000	<u>1997</u> £'000
Trade creditors	3,565	2,176
Amounts due to group undertakings	3,363	869
Corporation tax	131	40
Other taxes and social security	920	640
Accruals and deferred income	<u>402</u>	<u>119</u>
	<u>8,381</u>	<u>3,844</u>

#### 9 CONTINGENT LIABILITIES

There is a cross guarantee in favour of National Westminster Bank plc (NWB) in respect of the indebtedness of Protocol National Limited, ELS Group Limited and Protocol Systems International Limited which at 30 June 1998 was as follows:

	<u>1998</u> £'000	<u>1997</u> £'000
Protocol National Limited	40	-
ELS Group Limited	-	-
Protocol Systems International Limited	8	-

All the property and undertakings of the company are secured by way of a mortgage in favour of NWB.

#### 10 RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard 8, the company has not disclosed transactions with other group companies.

#### 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 year amount to £57,000 (1997 : £59,000).

## **EDUCATION LECTURING SERVICES**

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

### **NOTES TO THE ACCOUNTS - 30 JUNE 1998 (CONTINUED)**

#### **12 PROFIT AND LOSS ACCOUNT**

	<u>1998</u> £'000	<u>1997</u> £'000
At 1 July	(35)	(1,139)
(Loss)/profit for the year	<u>(84)</u>	<u>1,104</u>
At 30 June	(119)	(35)
	<u>==</u>	<u>==</u>

#### **13 OPERATING LEASE COMMITMENTS**

At 30 June 1998 the company had annual commitments payable under non-cancellable operating leases as follows:

	<u>1998</u> £'000	<u>1997</u> £'000
Leases which expire between one and five years	75	-
	<u>==</u>	<u>==</u>

#### **14 PARENT COMPANY**

The sole member and guarantor of Education Lecturing Services is Protocol National Limited. The company which, at 30 June 1997, was considered to be the ultimate parent company and controlling party was ELS Group Limited, which is incorporated and registered in England. A copy of the accounts can be obtained from the Company Secretary, Castle Quay, Castle Boulevard, Nottingham, NG7 1FW.