

**Connexions Staffordshire Limited**  
(Limited by guarantee)

**REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS**

31 March 2009



Company Registration No. 04355170  
Registered Charity No. 1121955

# Connexions Staffordshire Limited

## CONTENTS

---

LEGAL AND ADMINISTRATIVE INFORMATION	1
TRUSTEES' ANNUAL REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	10
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CONNEXIONS STAFFORDSHIRE LIMITED	11
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)	13
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)	14
CONSOLIDATED BALANCE SHEET	15
BALANCE SHEET	16
CONSOLIDATED CASHFLOW STATEMENT	17
ACCOUNTING POLICIES	18
NOTES TO THE FINANCIAL STATEMENTS	21

---

# Connexions Staffordshire Limited

## LEGAL AND ADMINISTRATION INFORMATION

---

REGISTERED CHARITY NUMBER                      1121955  
COMPANY REGISTRATION NUMBER                04355170  
COMPANY SECRETARY                              PJ Potts FCMA

### TRUSTEES/CHARITY DIRECTORS

A Williams CBE - Chair Person (resigned 28 September 2009)  
M Beale (resigned 28 September 2009)  
CA Spears (appointed 17 April 2008, resigned 28 September 2009)  
AW Fernyhough - BA (Ind Econ) FIPD (resigned 28 September 2009)  
L Thomas MBE (resigned 28 September 2009)  
Dr Z Iqbal (resigned 28 September 2009)  
RA Faulkner (resigned 28 September 2009)  
H Pegg (resigned 28 September 2009)  
PJ Traves (Chair Person from 28 September 2009)  
RJ Simpson (resigned 17 June 2008)  
CA Jones (resigned as director 29 April 2009)  
IM Kendrick (appointed 3 September 2008)  
RM Ibbs (appointed 5 December 2008, resigned 6 March 2009)  
GM Rowney (appointed 3 September 2008)

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

### BANKERS

Anglo Irish Bank Corporation Plc  
10 Old Jewry  
London  
EC2 8DN

Bank of Scotland  
Citymark  
Level 3  
150 Fountainbridge  
Edinburgh  
EH3 9PE

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

### REGISTERED OFFICE

Foregate House  
70 Foregate Street  
Stafford  
Staffordshire  
ST16 2PX

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2009.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### *Governing document*

Connexions Staffordshire Limited is a charity limited by guarantee governed by its Memorandum and Articles of Association dated 17 January 2002 and amended to allow for current governance agreement on 19 November 2007 and further amended to pass control to its founder members on 28 September 2009. It is registered as a charity with the Charity Commission. The founder members of the Charity are Staffordshire County Council and Stoke-on-Trent City Council.

#### *Appointment of trustees and directors*

As set out in the earlier Articles of Association the two founder members may each nominate three directors. The remaining directors are also members of the charity and trustees of the charity. From time to time nominations are proposed for prospective new trustees. These nominations are considered at the next Board meeting and approved, or not, as part of the business of that meeting. When considering new trustees/directors, the Board has regard to the requirement for any specialist skills or knowledge needed. Under the current Articles of Association (revised 28 September 2009) the founder members appoint trustees/directors as they see fit, having regard for specialist knowledge and skills that are required for the Board. At any one time the number of directors appointed by each founder member will be equal.

### DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees and directors served during the year were as follows:

Chair:	A Williams CBE (resigned 28 September 2009)
Staffordshire CC Nominee directors	Cllr R Simpson (resigned 17 June 2008) PJ Traves
Stoke-on-Trent CC Nominee directors	Cllr RM Ibbs (appointed 5 December 2008, resigned 6 March 2009) IM Kendrick (appointed 3 September 2008) G Rowney (appointed 3 September 2008)
Elected trustees	M Beale (resigned 28 September 2009) RA Faulkner (resigned 28 September 2009) AW Fernyhough (resigned 28 September 2009) Dr Z Iqbal (resigned 28 September 2009) H Pegg (resigned 28 September 2009) CA Spears (resigned 28 September 2009) L Thomas MBE (resigned 28 September 2009)
Chief Executive and director	CA Jones (resigned as a director on 29 April 2009)

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

### *Trustee induction and training*

New trustees undergo a short induction course before actively participating in a board meeting. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. The charity endeavours to ensure and promote equality and diversity in all its work, acting to eliminate discrimination, avoid stereotyping and promote equality of access and resources for all according to need and regardless of race, gender, sexual orientation, disability, age or religious belief.

### *Organisation*

The board of trustees administers the charity. The board meets at least three times a year and there are sub-committees covering service delivery, governance and search, resources and audit. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

### *Related parties*

The charity has a close relationship with its founder members, Staffordshire County Council and Stoke-on-Trent City Council for whom it is contracted to deliver the Connexions service and other services for young people. The charity delivers its services in every secondary school controlled by either local authority as well as from other premises alongside the councils' Youth Services. The scale of these activities means that the charity receives significant funding from these parties and a summary of transactions with both local authorities is set out in note 26 to the financial statements.

The charity has a wholly owned subsidiary, 3S Strategies Limited, which is currently dormant.

### *Risk management*

The trustees have a risk management strategy which is currently being reviewed. The intention is to incorporate risk evaluation more comprehensively into the charity's planning and reporting processes with the aim of earlier identification and subsequent mitigation of the risks that it faces. To this end the charity maintains a risk register by category of risk. Each risk is assessed in relation to the likelihood, impact and any mitigating actions or controls in place. The charity has a range of insurance cover in place to protect against severe financial loss and its very low claims history goes some way to demonstrate that risk management has been effective. The purpose of the review is to improve the process further.

## OBJECTIVES AND ACTIVITIES

The objects of the charity are:

1. to advance in life young people, particularly in Staffordshire and Stoke-on-Trent, by developing their skills, education, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals through the provision of an integrated service which:
  - (a) raises the aspirations, participation and achievement of all young people;
  - (b) provides impartial information, advice, guidance, opportunities for the personal development of young people;
  - (c) refers and introduces young people to learning and employment opportunities;
  - (d) provides and supports the provision of learning programmes supporting the personal and educational development of young people and prepares them for life choices and circumstances;
  - (e) provides all young people outside learning, or otherwise at risk of underachieving, with the support they need to fulfil their potential;
  - (f) carries out and disseminates research and gathers information about the requirements, attributes, learning options and employment opportunities of young people.

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

2. the relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.

The main objectives for the year continue to be the improvement of all the charity's services to deliver real and measurable benefits for all of its beneficiaries and to ensure that the beneficiaries' needs are at the centre of all the charity's activities.

The principal activity of the charity is the provision of information, advice and guidance, and support on personal development issues to young people and adults in Staffordshire. Staffordshire has an overall population in excess of one million, roughly a quarter of whom live in Stoke-on-Trent. The charity undertakes a statutory responsibility for all 13-19 year olds, and up to 25 years for those with LDD (Learning Difficulties and/or Disabilities), in the sub-region of Staffordshire. This is a cohort of some 95,000. The charity employs a number of personal advisers to deliver careers education guidance in every secondary school and college in the sub region. These personal advisers are supported by other staff in the charity's community based centres. These centres are accessible by anyone of qualifying age. Work with adults is facilitated through various partnership contracts run in the charity's centres and other community settings.

### *Public Benefit*

All of the charity's services are provided free-of-charge to its beneficiaries. The Connexions service to young people is provided to all young people of qualifying age who are resident or educated within the geographical location of Staffordshire. Services to the unemployed are provided to beneficiaries who meet the criteria prescribed by the various funding bodies. These criteria may involve a qualifying period of unemployment, receipt of a specific benefit payment or other such conditions, but are then freely available to all who meet those prescribed criteria.

## ACHIEVEMENTS AND PERFORMANCE

### *Improving outcomes for young people*

In this year our advisers undertook well over 71,000 interventions with young people across the partnership area, providing information, advice and guidance (IAG) on a wealth of issues affecting their current lives and future plans. These took place in schools, colleges, work-based learning premises, youth centres and other partnership locations, as well as in our Connexions Centres and Contact Points.

We also focused considerable resources on young people with particular needs in the following categories:

### **Reducing those 16-18 year olds Not in Education, Employment and/or Training (NEET)**

Since its inception in 2002, the Connexions Partnership has contributed greatly to the reduction in numbers of young people aged 16-18 in this group;

- |                          |                |                |
|--------------------------|----------------|----------------|
| • Staffs – Nov 02 = 8.7% | Mar 08 = 5.8%  | Mar 09 = 5.4%  |
| • Stoke – Nov 02 = 20.1% | Mar 08 = 13.7% | Mar 09 = 11.6% |

More young people in this age range are now participating in some form of learning:

- |                         |              |              |
|-------------------------|--------------|--------------|
| • Staffs – Mar 05 = 75% | Mar 08 = 79% | Mar 09 = 82% |
| • Stoke – Mar 05 = 63%  | Mar 08 = 69% | Mar 09 = 73% |

### **Ongoing support and communication with young people**

We put considerable effort into staying in touch with young people to help them achieve better outcomes, resulting in the number of them becoming 'not known' to us, reducing as follows:

- |                         |             |             |
|-------------------------|-------------|-------------|
| • Staffs – Nov 03 = 14% | Mar 08 = 3% | Mar 09 = 3% |
|-------------------------|-------------|-------------|

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

- Stoke – Nov 03 = 24% Mar 08 = 8% Mar 09 = 5%

### Young people with Learning Difficulties and/or Disabilities

Work with young people in this vulnerable group has seen an increase in the numbers of them progressing into education, employment and/or training (EET):

- Staffs – Mar 03 = 70% Mar 08 = 83% Mar 09 = 83%
- Stoke – Mar 03 = 56% (est) Mar 08 = 69% Mar 09 = 72%

### Teenage Mothers

In 2002 we were in touch with 277 teenage mothers across Staffordshire and Stoke-on-Trent. The current figures are (against a target of 50%):

Staffordshire: Mar 09 = 86% (619)  
Stoke: Mar 09 = 62% (303)

The numbers of young mothers engaged in education, employment and/or training are (against a target of 35%):

Staffordshire: Mar 09 = 36%  
Stoke: Mar 09 = 30%

### Young Offenders

We work closely with the Youth Offending Service to place as many of these young people as possible into education, employment and/or training options when their supervision orders come to an end. The national average for this is 69%, but locally the figures are:

- Staffordshire Mar 08 = 71% Mar 09 = 86%
- Stoke Mar 08 = 67% Mar 09 = 68%

### Care Leavers

Young people leaving the care of their local authority often need considerable and sustained support to achieve independence and establish themselves in education, employment or training. Outcomes for 16-19 year old care leavers show:

- Staffs – Mar 06 = 45% Mar 08 = 44% Mar 09 = 57%
- Stoke – Mar 06 = 29% Mar 08 = 42% Mar 09 = 55%

(2009 figures are set against a target of 45% for Staffordshire & 37% for Stoke-on-Trent)

### TRAINING AND DEVELOPMENT

Connexions Staffordshire has 370 employees who each receive an average of 6.5 training days per year. During the past year the training team have supported the following numbers of candidates through NVQ awards:

Award	Level	Number of candidates
Advice & Guidance	NVQ4	18
Advice & Guidance	NVQ3	20
Learning, Development & Support Services	NVQ4	17

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

Management	NVQ4	1
Mentoring	NVQ3	2
Administration	NVQ3	3
Customer Service	NVQ3	1
Internal Verifier Award	NVQ3	1
<b>Total candidates *</b>		<b>63</b>

\* includes a number of external candidates.

Additionally, during this year another 12 young people from the Connexions Staffordshire Youth Development Volunteers passed their NOCN Progression Qualification.

Training programmes are delivered through the following awarding bodies:

- OCR
- NOCN (National Open College Network award undertaken by Youth Development Volunteers)
- ILM

The training team deliver a range of skill based programmes to staff:

- Interviewing Skills – Foundation
- Interviewing Skills – Advanced
- Group Work & Presentation Skills
- Understanding Anger & Aggression
- Coaching Clients with Anger Management Issues
- Assessment, Planning, Implementation & Review (APIR)
- Supervision & Appraisal Skills

Current developments in training include:

- Mandatory training for all staff in 'Young Person Participation' delivered by members of the Connexions Youth Volunteer Group
- Online e-learning for APIR, Safeguarding and Client Benefits
- Supporting the development of Staffordshire Youth Service's NVQ award with volunteer youth leaders

### *Involving Young People*

We are extremely proud to have been involving young people in decision making processes from the start. Their involvement in recruitment and selection of key staff, helping to select appropriate contracts alongside adult panels and the mystery shopping of our Centres are just some of the ways that they have been involved over the past year.

Following consultation with young people currently involved in projects, we now offer a qualification as a reward for their contribution. Connexions Staffordshire has become a registered National Open College Network centre and the young people who help us to improve the service are given the chance to work towards a nationally recognised qualification – the NOCN Progression Qualification. The qualification consists of 4 elements which are:

- Groupwork & Communications Skills
- Prejudice & Discrimination
- Listening & Speaking Skills
- Confidence & Self-esteem Building



# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

By taking part in various activities including training, mystery shopping, recruitment and selection and team building days, young people can build a portfolio that will provide the necessary evidence to complete the qualification. To date, 24 young people have completed the programme and achieved a Level 2 award. This year's programme was opened to a wider cohort of young people through our partner network and included 5 young carers, and 4 young people with learning difficulties who achieved a Level 1 award.

In addition, the Youth Development Volunteers (V2) spent over 1800 hours volunteering between them. We also saw 7 YDV's achieve a Community Basic First Aid Award. One of our 1st year YDV's was awarded Young Person of the Year by Brook for his work around improving sexual health provision.

Our YDV's also helped to give away over £300k of Youth Opportunities Capital Fund money to improve provision for young people across the county and 'The Great Giveaway' (Staffordshire Council for Voluntary Youth Services), supported by ourselves, helped give grants to local voluntary youth groups and raise the profile of volunteering across the county.

Connexions Staffordshire was awarded the Gold Level Quality Award (one of only four) by young people carrying out an audit of how we involve young people in our work. The audit was carried out on behalf of Stoke-on-Trent Children's Trust.

### *Financial review*

At the start of 2008/09 the board had again approved a significant deficit budget, £390,000, recognising the continuing uncertainties surrounding the transition from direct grant funding to being commissioned by the local authorities for the delivery of the Connexions service. The rationale for setting this deficit was based on the charity's commitment to maintain frontline services for young people at existing levels against a backdrop of standstill funding and a lack of clarity over future funding mechanisms.

Four prior years of standstill Connexions funding had required the charity to review its spending, particularly in support activity, in order to maximise the client facing resources whilst retaining reasonably competitive salary levels.

To this end, the charity has been pursuing a premises review and rationalisation strategy. The charity operates from 15 leased premises across Staffordshire, plus a further six sites where it takes space in partner's premises. Over the last four years the number of leased premises has been reduced from 20 by closing centres, as their leases expired, dedicated to the delivery of adult client services in Burton, Hanley, Stafford and Tamworth. The services delivery was transferred to the existing Connexions centres in those locations. The delivery centre in Stafford was subject to a significant rent increase in 2007 and operations were transferred to the headquarters building. These actions delivered significant ongoing savings in 2008/09.

Other contractual expenditure has been reviewed, as contracts reach renewal, and further savings have been made, either by changing supplier, keener negotiation or changing the specification of the goods or services required. These have delivered further significant savings.

Staffing is under constant review. Vacancies, especially in support posts, are closely managed and, if possible, recruitment is delayed or postponed indefinitely. There have been several posts unfilled which have delivered considerable savings, but support functions are now under some strain. Frontline staffing has been maintained at, or slightly below, the budgeted level throughout the year. In the new budget year, however, funding for the Connexions services has been reduced and significant action to redress the impending deficit was required. The Senior Management Team undertook an efficiency and effectiveness review during April 2009 where some 20 frontline vacant posts were deleted and the support teams completely restructured. The support restructure resulted in a further 9 posts being deleted.

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

The charity had the opportunity to recover from DCSF some further costs relating to the transition of control of Connexions funding, these were unbudgeted and totalled £15,500 in the year.

This combination of initiatives has helped to deliver a financial result for the Connexions service this year which is significantly better than the budget. The situation regarding other contracts, particularly those based on securing employment outcomes for clients, fared much less well. There were some major changes from last year, as previous contracts closed and new initiatives came onstream. The major difficulties surrounded the requirement to obtain job outcomes, particularly sustained (usually for a minimum of three months) job outcomes. The timing of the inception of the contracts (later in the year) and the inbuilt delay in securing sustained outcomes meant that costs significantly outweighed income in this financial year. Corrective actions have been taken, where required, and a surplus is expected in 2009/10.

The prevailing financial climate has dramatically reduced (by almost 20% or £3.7m) the assets of the pension fund which holds about 72% of its value in equities (shares). In contrast the relatively steady 'bond rate' which is the main driver behind the calculation of liabilities under FRS17 (the accounting standard that governs the reporting of Defined Benefit Pension Schemes) has meant that liabilities have increased by less than 1% (or £150k). These factors combine to dramatically increase our FRS17 liability from (£1,340,000) last year, to (£5,164,162). This significantly affects our balance sheet in a detrimental way. Our total funds deficit this year is £3,806,224 compared to a fund deficit last year of £403,333.

Looking forward into 2009/10, the trustees have approved a budget which shows a small deficit (<£50,000) under the Connexions contracts and a surplus under the other contracts as some of the 2008/09 deficit is recovered. The charity has recently received letters of intent to contract from both Local Authorities after the current arrangements expire on 31 March 2010. Staffordshire County Council has indicated a new, 2 year, arrangement but at a reduced contract value. Stoke-on-Trent City Council has indicated an initial 1 year arrangement at a level of funding similar to that for 2009/10. The charity will be working with both authorities to agree a service level commensurate with the available funding.

The charity spent over £13 million delivering its services in 2008/09:

Salaries (including NI and pension contributions)	£9.8m
Payments to the voluntary sector and other providers	£1.0m
Rents, rates, property repairs and service costs	£0.9m
Other operational costs	£1.2m
IT services	£0.2m

### *Investment powers and policy*

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy have operated a policy of keeping available funds in an interest bearing deposit account and seek to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail prices index.

The invested funds held on deposit achieved an average rate in excess of 3.5% against the retail prices measure of inflation (excluding mortgage interest payments) for the year to March 2008 of 2.2%.

### *Reserves policy*

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the funding gaps between spending on delivery of services and receiving payments from funders. This is particularly relevant when payments are outcome based and where sub-contractors are involved. Reserves are also held to cover possible emergency expenditure as in unexpected property repairs. In addition, reserves would be needed to sustain operations in the event of an interruption in core funding. The full monthly running costs are of the order of £1 million but even if the largest contract were lost, reserves would only need to fund roughly half that figure.

# Connexions Staffordshire Limited

## TRUSTEES' ANNUAL REPORT

---

The trustees consider that reserves should ideally meet between 3 and 6 months running costs, ie reserves should be held between £1.5m and £3m.

The charity's actual reserves at 31 March 2009 were a deficit of £4,363,307, (Group: deficit of £3,871,746). In calculating reserves, the trustees have excluded from total funds the restricted income funds of £557,083 including £113,178 in the designated reserve to meet depreciation on restricted tangible fixed assets. It is also after accounting for the FRS17 pension liability of £5,164,162. An FRS 17 liability does not translate to an immediate liability and since the day-to-day funding of the pension scheme is handled in the budget through the employer's contributions, the FRS17 liability can be excluded from the calculation of free reserves. The revised level of free reserves, thus determined, is £800,855, (Group: £1,292,416).

The trustees recognise that the current level of reserves, although adequate for bridging day-to-day gaps in funding and most foreseeable emergency expenses, would not be sufficient to sustain operations for more than a few weeks in the event of a major funding crisis. A plan to actively generate further reserves is being formulated.

### *Future Developments*

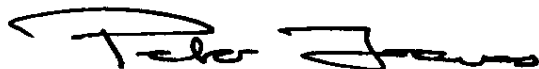
On 28 September 2009, six months after the balance sheet date, the independent trustees resigned '*en masse*' to make way for a new board drawn entirely from nominations of the 2 founder members. This action, along with some modifications to the Articles of Association, passes control of the charity, exclusively, to the 2 founder members.

### AUDITORS

A resolution for the reappointment of Baker Tilly as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities, and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized entities.

Approved by the trustees and signed on their behalf by:



**P J Traves**  
Chair

14 January 2010

# Connexions Staffordshire Limited

## STATEMENT OF TRUSTEES RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

Charity law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity and of its income and expenditure for the financial year. In doing so, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CONNEXIONS STAFFORDSHIRE LIMITED

We have audited the financial statements on pages 13 to 38.

We have audited the financial statements which comprise the Group and Charitable Company Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group Cash Flow Statement and related notes.

This report is made solely to the charitable 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 charitable company 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The responsibilities of the trustees (who are also the directors of Connexions Staffordshire Limited for the purposes of charity law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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, and whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

We also report to you if, in our opinion, the charitable 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 trustees' remuneration and transactions with the charitable company and other member of the group is not disclosed.

We read the Trustees' Annual Report 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charitable 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CONNEXIONS  
STAFFORDSHIRE LIMITED (continued)

**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 affairs of the charitable company and group as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure 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 Trustees' Annual Report is consistent with the financial statements.

*Baker Tilly UK Audit WP*

**BAKER TILLY UK AUDIT LLP**

Registered Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*29th January*

2010

# Connexions Staffordshire Limited

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2009

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2009 £	Total Funds 2008 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Activities for generating funds		126,947	-	126,947	37,956
Investment income	1	140,109	-	140,109	288,434
Incoming resources from charitable activities	2	10,749,972	1,599,907	12,349,879	13,218,861
<b>TOTAL INCOMING RESOURCES</b>		<b>11,017,028</b>	<b>1,599,907</b>	<b>12,616,935</b>	<b>13,545,251</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs		116,140	-	116,140	38,099
Taxation	7	-	-	-	21,340
<b>Total cost of generating funds</b>		<b>116,140</b>	<b>-</b>	<b>116,140</b>	<b>59,439</b>
Charitable activities	3	11,525,891	1,707,827	13,233,718	13,738,031
Governance costs	4	66,809	9,944	76,753	66,029
		11,592,700	1,717,771	13,310,471	13,804,060
<b>TOTAL RESOURCES EXPENDED</b>		<b>(11,708,840)</b>	<b>(1,717,771)</b>	<b>(13,426,611)</b>	<b>(13,863,499)</b>
<b>NET OUTGOING RESOURCES BEFORE TRANSFERS</b>					
Transfers between funds	17	(691,812)	(117,864)	(809,676)	(318,248)
		(67,370)	67,370	-	-
<b>NET OUTGOING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
Actuarial (losses)/gains on defined pension scheme	5	(759,182)	(50,494)	(809,676)	(318,248)
	24	(3,550,000)	-	(3,550,000)	3,574,000
<b>NET MOVEMENT IN FUNDS IN YEAR</b>		<b>(4,309,182)</b>	<b>(50,494)</b>	<b>(4,359,676)</b>	<b>3,255,752</b>
Total funds brought forward as initially reported		437,436	607,577	1,045,013	(2,856,891)
Prior year adjustment	8	-	-	-	646,152
<b>Total funds brought forward as restated</b>		<b>437,436</b>	<b>607,577</b>	<b>1,045,013</b>	<b>(2,210,739)</b>
<b>TOTAL (DEBT)/FUNDS CARRIED FORWARD</b>	<b>17</b>	<b>(3,871,746)</b>	<b>557,083</b>	<b>(3,314,663)</b>	<b>1,045,013</b>

The incoming resources and resources expended derive from continuing operations.

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the Statement of Financial Activities for the year.

# Connexions Staffordshire Limited

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2009

	Note	Unrestricted funds	Restricted funds	Total Funds 2009	Total Funds 2008
		£	£	£	£
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Activities for generating funds		126,947	-	126,947	37,956
Investment income	1	1,096,862	-	1,096,862	288,434
Incoming resources from charitable activities	2	10,749,972	1,599,907	12,349,879	13,218,861
<b>TOTAL INCOMING RESOURCES</b>		<b>11,973,781</b>	<b>1,599,907</b>	<b>13,573,688</b>	<b>13,545,251</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs		116,140	-	116,140	38,099
Taxation	7	-	-	-	21,340
<b>Total cost of generating funds</b>		<b>116,140</b>	<b>-</b>	<b>116,140</b>	<b>59,439</b>
Charitable activities	3	11,525,859	1,707,827	13,233,686	13,738,031
Governance costs	4	66,809	9,944	76,753	66,029
		11,592,668	1,717,771	13,310,439	13,804,060
<b>TOTAL RESOURCES EXPENDED</b>		<b>(11,708,808)</b>	<b>(1,717,771)</b>	<b>(13,426,579)</b>	<b>(13,863,499)</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
Transfers between funds	17	264,973 (67,370)	(117,864) 67,370	147,109 -	(318,248) -
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
Actuarial (losses) / gains on defined pension scheme	24	197,603 (3,550,000)	(50,494) -	147,109 (3,550,000)	(318,248) 3,574,000
<b>NET MOVEMENT IN FUNDS IN YEAR</b>		<b>(3,352,397)</b>	<b>(50,494)</b>	<b>(3,402,891)</b>	<b>3,255,752</b>
Total funds brought forward as initially reported		(1,010,910)	607,577	(403,333)	(4,305,237)
Prior year adjustment	8	-	-	-	646,152
Total debt brought forward as restated		(1,010,910)	607,577	(403,333)	(3,659,085)
<b>TOTAL DEBT CARRIED FORWARD</b>	<b>17</b>	<b>(4,363,307)</b>	<b>557,083</b>	<b>(3,806,224)</b>	<b>(403,333)</b>

The incoming resources and resources expended derive from continuing operations.

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the Statement of Financial Activities for the year.

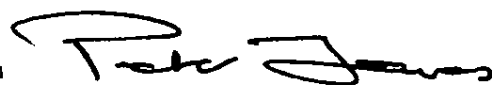


**Connexions Staffordshire Limited**  
**CONSOLIDATED BALANCE SHEET**  
at 31 March 2009

	Note	2009	2008
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	9	-	-
Tangible assets	10	150,789	170,889
<b>TOTAL FIXED ASSETS</b>		<b>150,789</b>	<b>170,889</b>
<b>CURRENT ASSETS</b>			
Stocks	12	1,627	3,703
Debtors	13	1,563,150	1,293,780
Cash at bank and in hand	21	2,761,293	2,934,448
<b>TOTAL CURRENT ASSETS</b>		<b>4,326,070</b>	<b>4,231,931</b>
<b>CREDITORS: Amounts falling due within one year</b>	14	<b>(2,276,521)</b>	<b>(1,644,744)</b>
<b>NET CURRENT ASSETS</b>		<b>2,049,549</b>	<b>2,587,187</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,200,338</b>	<b>2,758,076</b>
<b>CREDITORS</b>			
Provision for liabilities and charges	16	(350,839)	(373,063)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>1,849,499</b>	<b>2,385,013</b>
Defined benefit pension scheme liability	24	(5,164,162)	(1,340,000)
<b>NET (LIABILITIES)/ASSETS INCLUDING PENSION LIABILITY</b>		<b>(3,314,663)</b>	<b>1,045,013</b>
<b>FUNDS</b>			
Unrestricted income funds	17-18	(3,871,746)	437,436
Restricted income funds	17-18	557,083	607,577
<b>TOTAL (DEBT)/FUNDS</b>		<b>(3,314,663)</b>	<b>1,045,013</b>

The financial statements on pages 13 to 38 were approved by the board of directors and authorised for issue on 18 January 2010 and were signed on its behalf by:

PJ Traves  
Chair Person



# Connexions Staffordshire Limited

## BALANCE SHEET

at 31 March 2009

	Note	2009	2008
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	150,789	170,889
Investments	11	3	3
<b>TOTAL FIXED ASSETS</b>		<b>150,792</b>	<b>170,892</b>
<b>CURRENT ASSETS</b>			
Stocks	12	1,627	3,703
Debtors	13	1,563,150	1,293,780
Cash at bank and in hand	21	2,761,293	2,934,385
		<b>4,326,070</b>	<b>4,231,868</b>
<b>CREDITORS: Amounts falling due within one year</b>	14	<b>(2,276,521)</b>	<b>(1,644,741)</b>
<b>NET CURRENT ASSETS</b>		<b>2,049,549</b>	<b>2,587,127</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,200,341</b>	<b>2,758,019</b>
<b>CREDITORS</b>			
Amounts falling due in more than one year	15	(491,564)	(1,448,289)
Provision for liabilities and charges	16	(350,839)	(373,063)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>1,357,938</b>	<b>936,667</b>
Defined benefit pension scheme liability	24	(5,164,162)	(1,340,000)
<b>NET LIABILITIES INCLUDING PENSION LIABILITY</b>		<b>(3,806,224)</b>	<b>(403,333)</b>
<b>FUNDS</b>			
Unrestricted income funds	17-18	(4,363,307)	(1,010,910)
Restricted income funds	17-18	557,083	607,577
<b>TOTAL DEBT</b>		<b>(3,806,224)</b>	<b>(403,333)</b>

The financial statements on pages 13 to 38 were approved by the board of directors and authorised for issue on 18th January 2010 and were signed on its behalf by:

PJ Traves  
Chair Person



**Connexions Staffordshire Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 March 2009

	Note	2009	2008
		£	£
CASH FLOW FROM OPERATING ACTIVITIES	19	(212,206)	(177,851)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	1	140,109	153,434
Pension finance interest	3&1	(39,000)	135,000
NET CASH INFLOW FROM RETURNS ON INVESTMENTS		101,109	288,434
TAXATION	7	(21,340)	(26,190)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets	10	(43,848)	(7,029)
Proceeds on disposal of fixed assets	5	3,130	-
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE		(40,718)	(7,029)
(DECREASE)/INCREASE IN CASH IN THE YEAR	20-21	(173,155)	77,364

# Connexions Staffordshire Limited

## ACCOUNTING POLICIES

---

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

### BASIS OF PREPARATION

The financial statements are presented in accordance with the Statement of Recommended Practice ("SORP") 2005 "Accounting and Reporting by Charities", issued by the Charity Accounting Committee and approved by the Accounting Standards Board. Accordingly, the profit and loss account prescribed by the Companies Act 1985 has been replaced by the Statement of Financial Activities in order to reflect the special nature of the charity's operations.

### GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the company and its subsidiaries will continue in operational existence for the foreseeable future, notwithstanding net liabilities of £3.3m for the group. The net liabilities include a defined benefit pension scheme liability of £5.2m. In forming their opinion the directors considered the pension liability will not be paid within the next 12 months, and while the timing of income is uncertain, the directors believe that the forecasts together with current finance available will be sufficient to enable the group to meet its liabilities as they fall due for payment.

Forecasts have been prepared for the year ended 31 March 2011 and show that the planned restructure of the company's operations is appropriate to the income secured.

Based on the above, the directors believe that it is appropriate to prepare the financial statements on a going concern basis having taken into account all information that is available.

### ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost accounting rules and are in accordance with applicable accounting standards.

### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Connexions Staffordshire Limited and all of its subsidiary undertakings for the year. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised and written off on a straight line basis over its estimated economic life. Provision is made for impairment. All financial statements are made up to 31 March 2009.

### FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Where any deficits are made on restricted funds, funds are transferred from unrestricted funds to meet the deficit.

### INCOMING RESOURCES

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Incoming resources are analysed into the two recognised themes of Connexions Staffordshire and also by income stream, as detailed in note 2.

# Connexions Staffordshire Limited

## ACCOUNTING POLICIES

---

### INCOMING RESOURCES (continued)

Income is only deferred when:

- the funder specifies that the grant or donation must only be used in future accounting periods; or
- the funder has imposed conditions which must be met before the charity has unconditional entitlement.

Income resources are shown gross and associated costs are shown as expenditure.

### RESOURCES EXPENDED

Expenditure is charged on an accruals basis, inclusive of irrecoverable Value Added Tax. Direct charitable expenditure comprises those costs directly incurred in pursuance of the charity's charitable activities. Support costs comprise all services supplied centrally and include headquarters' staff and office overhead and accommodation expenses. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

### FIXED ASSETS AND DEPRECIATION

Expenditure is only treated as capital expenditure if the following apply:

- The expenditure on individual items is over £1,000 and the item has an economic value to the company and a useful life of a minimum of 3 years;
- Where groups of items are purchased, they are only capitalised if the individual item cost is above £1,000;
- The expenditure relates to the improvement or enhancement of existing assets.

Depreciation is provided by the charity to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	life of lease
Computer equipment	-	25% on cost
Fixtures, fittings and equipment	-	10% on cost

### LEASES

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the statement of financial statements on a straight line basis over the period of the lease.

### STOCKS

Stocks are stated at the lower of cost and net realisable value.

### PENSION AND OTHER POST-RETIREMENT BENEFITS

The Charity operates a deferred benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity. Contributions are charged to the statement of financial activities in accordance with FRS 17 Retirement Benefits.

The Charity participates in the Staffordshire County Pension Fund ("the Fund"). The Fund is part of the Local Government Pension Scheme (LGPS) and is a multi-employer, funded, defined benefit pension scheme. It is contracted out of the State Second Pension. Contributions to the scheme are charged to the Statement of Financial Activities (SOFA) so as to spread the cost of pensions over employees' working lives with the Charity.

The contribution rate required from the Charity by the Fund is calculated at each triennial valuation by the Fund actuary. The contribution rate allows for the cost of new benefits that will be built up by employees

# Connexions Staffordshire Limited

## ACCOUNTING POLICIES

---

and the amount required to repay any deficit over an agreed period. Due to changing market conditions, the contribution rate required can change significantly. The cost of new benefits is calculated using a prospective benefit method.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the SOFA. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs.

### TAXATION

Up to 12 December 2007 the charity was liable to corporation tax on certain of its income and activities and appropriate provision was made. From 12 December 2007, when it obtained charitable status, the charity is exempt from corporation tax on its charitable activities. No tax charges have arisen in the charity since this date.

### PROVISIONS FOR DILAPIDATIONS

Most lease agreements for premises require that the property in question is restored to its original condition at the end of the lease. This will include the cost of redecoration and the restoration to original condition of any alterations undertaken during the lease. The dilapidation provision includes an estimate of redecoration costs by property, plus an assessment of the costs to 'undo' alterations and to 'make good' to original condition. As leases expire the provision is released against the actual costs of exit.

### FUND ACCOUNTING

General accumulated funds are unrestricted funds available to the charity for its general purposes and include from time to time funds designated by the charity for particular purposes, the use of any such designated funds remaining at all times at the discretion of the Trustees.

Restricted funds are subject to restrictions imposed by the donor or by the specific terms of the appeal under which funds are raised. The restrictions are binding upon the Charity.

Resources received by the Befriending Scheme and from the National Lottery funds are separated and treated as restricted funds in accordance with conditions laid down by the grant donors.

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

### 1 INVESTMENT INCOME

GROUP	Unrestricted funds £	Total 2009 £	Total 2008 £
Interest	140,109	140,109	153,434
Pension interest	-	-	135,000
	<u>140,109</u>	<u>140,109</u>	<u>288,434</u>
 CHARITY	 Unrestricted funds £	 Total 2009 £	 Total 2008 £
Dividend	956,753	956,753	-
Interest	140,109	140,109	153,434
Pension interest	-	-	135,000
	<u>1,096,862</u>	<u>1,096,862</u>	<u>288,434</u>

2 INCOMING RESOURCES: CHARITABLE ACTIVITIES – CHARITY AND GROUP	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Income was received for:				
Developing Young People	9,514,573	1,331,115	10,845,688	11,008,855
Relief of Unemployment	1,235,399	268,792	1,504,191	2,210,006
	<u>10,749,972</u>	<u>1,599,907</u>	<u>12,349,879</u>	<u>13,218,861</u>
 Income from projects was provided by:				
DfCSF	15,500	-	15,500	9,656,684
JET PAYP/NSF Local Authority	212,765	373,179	585,944	494,549
LSP	-	594,522	594,522	522,359
LSC	505,186	305,789	810,975	764,939
SRB/NRF/AWM	-	(2,722)	(2,722)	306,717
Employment services	503,799	-	503,799	921,729
ESF	-	(60,261)	(60,261)	271,877
Other funding	13,794	389,400	403,194	243,450
Deferred income	-	-	-	36,557
Local authorities – Connexions contract	9,498,928	-	9,498,928	-
	<u>10,749,972</u>	<u>1,599,907</u>	<u>12,349,879</u>	<u>13,218,861</u>

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

**3 RESOURCES EXPENDED: CHARITABLE ACTIVITIES – CHARITY AND GROUP**

	Developing Young People Unrestricted £	Relief of Unemploy- ment Unrestricted £	Developing Young People Restricted £	Relief of Unemploy- ment Restricted £	Total 2009 £	Total 2008 £
<b>DIRECT COSTS</b>						
Salaries	5,607,443	771,570	310,595	176,397	6,866,005	6,709,610
Operational on costs	1,185,704	163,352	58,991	31,568	1,439,615	1,689,483
Temporary staff	18,689	-	-	-	18,689	26,526
Travel costs	116,478	20,732	13,965	4,911	156,086	164,238
Training	394	450	37,710	(1,300)	37,254	98,625
Materials	277	-	13,000	(1,000)	12,277	445
Room hire	175	174	3,793	(448)	3,694	16,388
Client costs	10,050	20,632	413	5,097	36,192	118,259
Entertaining	(400)	-	-	-	(400)	724
Other operational costs	47,747	19,608	6,983	3,689	78,027	88,005
INSET development	165	-	8,407	-	8,572	1,504
Projects to partners	54,907	-	-	-	54,907	28,217
Sub-contract/ secondments	(17,750)	267,270	541,770	73,480	864,770	1,134,345
Voluntary and Community Organisation	213,186	-	10,873	-	224,059	250,404
CLI and information	31,255	194	4,278	400	36,127	85,851
Consultancy	2,850	-	8,430	-	11,280	19,464
Engaging Young People	19,882	91	10,519	-	30,492	32,057
Premises	550,919	133,691	5,733	7,616	697,959	690,489
Irrecoverable VAT	(3)	-	-	-	(3)	-
Interest payable	-	-	-	-	-	5,142
Pension interest	34,650	4,350	-	-	39,000	-
	<u>7,876,618</u>	<u>1,402,114</u>	<u>1,035,460</u>	<u>300,410</u>	<u>10,614,602</u>	<u>11,159,776</u>
<b>SUPPORT COST ALLOCATION</b>						
Salaries	1,018,811	151,946	122,315	65,036	1,358,108	1,350,722
Corporate on costs	232,368	29,542	24,210	12,019	298,139	277,505
Administrative costs	42,810	41	64	-	42,915	45,748
Executive costs	(4,998)	5,183	5,132	1,754	7,071	45,349
Finance costs	55,601	3,835	3,970	1,405	64,811	51,650
Human resources	92,923	10,877	31,459	3,125	138,384	114,731
IT	185,248	16,695	4,235	4,610	210,788	213,355
Marketing	13,897	10,173	24,480	2,120	50,670	67,769
Quality	20,731	-	-	175	20,906	49,671
Training	108,300	-	-	-	108,300	70,023
Other support costs	44,197	10,469	412	1,396	56,474	22,219
Depreciation	7,415	-	56,533	-	63,948	65,355
Premises	181,390	9,705	1,302	6,205	198,602	204,158
	<u>1,998,693</u>	<u>248,466</u>	<u>274,112</u>	<u>97,845</u>	<u>2,619,116</u>	<u>2,578,255</u>
<b>Total resources expended on charitable activities</b>	<u>9,875,311</u>	<u>1,650,580</u>	<u>1,309,572</u>	<u>398,255</u>	<u>13,233,718</u>	<u>13,738,031</u>

For the charity the above analysis differs only in respect of the other support costs in 3S Strategies Limited included in operational costs which is £32 (2008: £nil). Total expenditure is £13,233,686 (2008: £13,738,031).



**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

**3 RESOURCES EXPENDED: CHARITABLE ACTIVITIES (continued)**

**Support cost allocation**

Costs and support costs are apportioned to each charitable activity and governance on the following basis:

Salaries and on costs	Split on same basis as the function eg finance salaries apportioned on direct costs, and exec salaries apportioned by grant income
Admin	Actual
Executive	Contract income
Finance	Direct costs
HR	Head count
IT	Head count and workstations
Marketing	Actual
Quality	Time spent and contract value
Training	Actual
Other support	Actual
Depreciation	Actual
Premises	Square footage

**4 GOVERNANCE COSTS – CHARITY AND GROUP**

	Developing Young People Unrestricted £	Relief of Unemploy- ment Unrestricted £	Developing Young People Restricted £	Relief of Unemploy- ment Restricted £	Total 2009 £	Total 2008 £
GOVERNANCE COSTS						
Statutory responsibility	31,555	4,097	4,415	891	40,958	26,759
Audit/accountancy (internal)	12,372	1,607	1,731	350	16,060	13,542
Statutory audit	9,143	1,187	1,279	257	11,866	10,642
Other audit	-	-	-	-	-	2,500
Internal audit	6,008	780	841	170	7,799	7,500
Other evaluations/standards	53	7	8	2	70	5,086
	<u>59,131</u>	<u>7,678</u>	<u>8,274</u>	<u>1,670</u>	<u>76,753</u>	<u>66,029</u>
			Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Statutory responsibilities – internal			35,651	5,306	40,957	26,759
Audit and accountancy – internal			13,980	2,081	16,061	13,542
Audit and accountancy – external			17,178	2,557	19,735	25,728
			<u>66,809</u>	<u>9,944</u>	<u>76,753</u>	<u>66,029</u>

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2009**

---

**5 NET OUTGOING RESOURCES FOR THE YEAR – CHARITY AND GROUP**

Net outgoing resources are arrived at after charging/(crediting):

	2009 £	2008 £
Depreciation and other amounts written off tangible fixed assets		
– owned	63,948	65,356
Profit on disposal of fixed assets	(3,130)	-
Auditors' remuneration:		
Audit services paid to Baker Tilly UK Audit LLP	11,866	10,642
Other services including internal audit fee paid to third party	7,799	10,000
Operating leases:		
Plant and machinery	77,350	85,717
Land and buildings	391,386	431,667
	<u>          </u>	<u>          </u>

**6 STAFF COSTS AND NUMBERS – CHARITY AND GROUP**

Details of employee costs are as follows:

	2009 £	2008 £
Wages and salaries	8,274,602	8,121,052
Social security costs	582,754	576,014
Pension costs	919,838	818,974
	<u>          </u>	<u>          </u>
	9,777,194	9,516,040
	<u>          </u>	<u>          </u>

The average number of persons (excluding trustees) employed, analysed during the year by category, was as follows:

	2009 Number	2008 Number
Developing Young People	240	241
Relief of Unemployment	41	44
Support	52	56
	<u>          </u>	<u>          </u>
	333	341
	<u>          </u>	<u>          </u>

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

---

### 6 STAFF COSTS AND NUMBERS – CHARITY AND GROUP (continued)

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2009 Number	2008 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<hr/>	<hr/>

There were no higher paid employees to whom retirement benefits are accruing under the money purchase pension scheme (2008: nil).

### TRUSTEES' REMUNERATION

In accordance with the governing instrument, no emoluments were paid during the year to the chairman, the directors or any of the trustees other than the Chief Executive (CA Jones) who was appointed a director on 1 March 2007 and resigned on 29 April 2009. This issue has been discussed with the Charities Commission. The Chief Executive's emoluments are summarised below:

	2009 £	2008 £
Emoluments (including pension contributions)	91,565	84,495
	<hr/>	<hr/>

No expenses were paid to Trustees during the year (2008: £nil).

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

---

### 7 TAXATION – CHARITY AND GROUP

On 12 December 2007 the company became a registered charity, therefore in 2008 the charity had to pay corporation tax on its activities up to that date. All activities from the 13 December 2007 to present are charitable and considered non taxable therefore no tax is payable.

	2008 £
Current tax:	
UK corporation tax on results of the year	21,340
	<hr/>
Tax on results of ordinary activities	21,340
	<hr/>

Factors affecting tax charge for the year:

2008  
£

The tax assessed in 2008 was higher than the standard rate of corporation tax in the UK (20%). The differences were explained below:

Result for the period to 12 December 2007	140,092
	<hr/>
Result for the period multiplied by standard rate of corporation in the UK 20%	28,018
	<hr/>
Effects of:	
Expenses not deductible for tax purposes	(6,678)
	<hr/>
Tax charge for 2008	21,340
	<hr/>

### 8 PRIOR YEAR ADJUSTMENT – CHARITY AND GROUP

On 12 December 2007 the charity became a registered charity. As a consequence the Charity presented its accounts in accordance with the Charities SORP. This resulted in the restatement and re-analysis of the comparative information to reflect the SORP accounts format. There was also a change in accounting treatment for deferred income. As a consequence certain 'restricted income' which historically had been treated as deferred income was included within Accruals and Deferred Income. Under the rules of the SORP the majority of such income should be accounted for in the year of receipt and the Statement of Financial Activities was restated to reflect this.

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2009**

**9 INTANGIBLE FIXED ASSETS**

	Negative goodwill £
<b>GROUP</b>	
<i>Cost</i>	
At beginning and end of year	406,372
	<u>          </u>
<i>Amounts written off</i>	
At beginning and end of year	(406,372)
	<u>          </u>
<i>Net book value</i>	
<b>At 31 March 2009</b>	-
	<u>          </u>
At 31 March 2008	-
	<u>          </u>

The negative goodwill arose on the acquisition of 3S Strategies Limited.

**10 TANGIBLE FIXED ASSETS - CHARITY AND GROUP**

	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	710,594	596,066	233,286	1,539,946
Additions	4,072	39,776	-	43,848
Disposals	-	(43,848)	-	(43,848)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	714,666	591,994	233,286	1,539,946
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation</i>				
At beginning of year	641,777	554,248	173,032	1,369,057
Charged in the year	16,989	31,869	15,090	63,948
Disposals	-	(43,848)	-	(43,848)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	658,766	542,269	188,122	1,389,157
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>				
<b>At 31 March 2009</b>	<b>55,900</b>	<b>49,725</b>	<b>45,164</b>	<b>150,789</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2008	68,817	41,818	60,254	170,889
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

---

**11 FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £
<b>CHARITY</b>	
<i>Cost</i>	
At beginning and end of year	3
	<hr/>
<i>Provisions</i>	-
At beginning and end of year	-
	<hr/>
<i>Net book value</i>	
<b>At 31 March 2009</b>	<b>3</b>
	<hr/>
At 31 March 2008	3
	<hr/>

The investments in which the charity's interest is more than 20% are as follows:

<i>Subsidiary undertakings</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
3S Strategies Limited	Dormant	Ordinary £10 100%

The subsidiary is included in these consolidated financial statements.

**12 STOCKS – CHARITY AND GROUP**

	2009 £	2008 £
Raw materials and consumables	1,627	3,703
	<hr/>	<hr/>

**13 DEBTORS – CHARITY AND GROUP**

	2009 £	2008 £
Trade debtors	1,019,926	384,286
Other debtors	12,486	8,777
Prepayments and accrued income	530,738	900,717
	<hr/>	<hr/>
	<b>1,563,150</b>	<b>1,293,780</b>
	<hr/>	<hr/>

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

### 14 CREDITORS: Amounts falling due within one year

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	432,705	438,011	432,705	438,011
Other taxation and social security costs	626,453	720,705	626,453	720,702
Other creditors	148,898	121,646	148,898	121,646
Accruals and deferred income	1,068,465	343,042	1,068,465	343,042
Corporation tax	-	21,340	-	21,340
	<u>2,276,521</u>	<u>1,644,744</u>	<u>2,276,521</u>	<u>1,644,741</u>

### 15 CREDITORS: Amounts falling due in more than one year

#### CHARITY

	2009	2008
	£	£
Amounts due to subsidiary	<u>491,564</u>	<u>1,448,289</u>

### 16 PROVISIONS FOR LIABILITIES AND CHARGES - CHARITY AND GROUP

	Dilapidations £
At start of year	373,063
Provision utilised in year	(22,224)
At end of year	<u>350,839</u>

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

**17 MOVEMENT IN FUNDS**

GROUP	At 1 April 2008	Income	Expenditure	Transfers	Pension actuarial adjustment	At 31 March 2009
	£	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>						
General fund	437,436	11,017,028	(11,708,840)	(67,370)	(3,550,000)	(3,871,746)
<b>RESTRICTED FUNDS</b>						
<b>Developing Young People:</b>						
Busy Mummies	53,219	-	(32,012)	877	-	22,084
Positive Activities Programme	349	-	-	-	-	349
Youth Up Front Membership Project – Stoke	-	-	(77)	77	-	-
Youth Opportunities Funding – Stafford	1,748	10,000	(4,087)	63	-	7,724
Youth Development Volunteer programme	-	5,500	(34)	34	-	5,500
District IAG Forums 08-09	-	26,437	(14,164)	416	-	12,689
Curriculum Development Officer	17,286	27,340	(32,517)	1,904	-	14,013
CP 78 – Curriculum Project year 7 and 8	-	38,000	(5,813)	450	-	32,637
Youth Services Secondment	-	2,732	(3,272)	540	-	-
Better Your Futures Event	120	-	203	42	-	365
Stoke Children's Fund Secondment	-	8,963	(9,660)	697	-	-
South Staffs Support Services For Young People	-	11,871	(13,087)	1,216	-	-
Fast Tomato	2,966	-	-	-	-	2,966
Raising Aspirations For Parents & Carers of Young People	21,190	-	(56)	57	-	21,191
Training – Sponsorship Notts Trent Uni	-	10,000	(8,257)	216	-	1,959
Progress To Success	639	-	(214)	(425)	-	-
Its My Future	-	12,777	(13,362)	585	-	-
Fast Tomato Champions	17,916	10,000	(27,948)	116	-	84
Neighbourhood Support Fund	-	-	(75)	75	-	-
North Staffs Support Service For Young People	-	37,770	(41,926)	4,156	-	-
Positive Activities For Young People - Stoke	-	-	(65)	65	-	-
Positive Activities For Young People - Staffs	-	-	46	(46)	-	-
Positive Activities For Young People - Stoke	-	69,888	(72,685)	2,798	-	1
Positive Activities For Young People - Staffs	-	210,552	(220,407)	9,855	-	-
Stoke Challenge 2007/2008	-	(5,850)	5,058	792	-	-
Stoke Challenge 2008/2009	-	462,979	(479,124)	22,770	-	6,625
14 – 19 Prospectus Project	34,377	138,759	(87,925)	3,467	-	88,678
PPA – Promoting Positive Activities	-	22,805	(24,389)	1,584	-	-
Brighter Futures	13,650	-	(13,672)	22	-	-
Raising 14 – 19 Participation & Attainment	6	-	-	-	-	6
Raising 14 – 19 Participation & Attainment (08/09)	-	66,961	(70,801)	3,840	-	-
14-19 Teenage Parents Development Fund	-	34,000	(3,242)	327	-	31,085
Early Drop Out Retention	-	15,000	(93)	93	-	15,000
Staffs Partnership Secondment	-	14,122	(15,229)	1,107	-	-
V Talent Programme Placement Supervisor	-	3,670	(3,870)	200	-	-
Staffs Youth Offending Team Secondment	-	14,695	(15,795)	1,100	-	-
Staffs Children Trust Board Secondment	-	31,459	(33,775)	2,316	-	-
Shine – transition mentors working with LDD-YP's	-	33,455	(18,882)	562	-	15,135
Staffs College Contribution to Business	-	17,230	(107)	107	-	17,230
Intel Worker	-	-	(56,533)	-	-	113,178
DCFS capital expenditure	169,711	-	-	-	-	-
<b>Total Developing Young People</b>	<b>333,177</b>	<b>1,331,115</b>	<b>(1,317,848)</b>	<b>62,055</b>	<b>-</b>	<b>408,499</b>



**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

**17 MOVEMENT IN FUNDS (continued)**

GROUP	At 1 April 2008	Income	Expenditure	Transfers	Pension actuarial adjustment	At 31 March 2009
	£	£	£	£	£	£
<b>RESTRICTED FUNDS</b> (continued)						
<b>Relief of Unemployment:</b>						
Connexus 2P3	-	(1,049)	6	1,043	-	-
LEAP (ESF/LSC)	151,380	(72,997)	(84,793)	17,919	-	11,509
LEAP (AWM NRF) Match	-	(2,721)	2,370	351	-	-
Local Initiative Development	5,444	-	(678)	301	-	5,067
Step Two	-	-	(592)	592	-	-
IAG Next Step	117,576	241,875	(223,591)	(5,451)	-	130,409
Unity West Midlands	-	13,784	(2,329)	(11,455)	-	-
Unity North Staffs	-	4,032	(225)	(3,807)	-	-
Step 2 Success In The City	-	77,157	(82,555)	5,497	-	99
North Lichfield Engagement Project	-	8,711	(7,536)	325	-	1,500
<b>Total Relief of Unemployment</b>	<b>274,400</b>	<b>268,792</b>	<b>(399,923)</b>	<b>5,315</b>	<b>-</b>	<b>148,584</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>607,577</b>	<b>1,599,907</b>	<b>(1,717,771)</b>	<b>67,370</b>	<b>-</b>	<b>557,083</b>
<b>TOTAL FUNDS/(DEBT)</b>	<b>1,045,013</b>	<b>12,616,935</b>	<b>(13,426,611)</b>	<b>-</b>	<b>(3,550,000)</b>	<b>(3,314,663)</b>
<b>CHARITY</b>	<b>At 1 April 2008</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Pension actuarial adjustment</b>	<b>At 31 March 2009</b>
	£	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>						
General fund	(1,010,910)	11,973,781	(11,708,808)	(67,370)	(3,550,000)	(4,363,307)
<b>RESTRICTED FUNDS</b>						
Developing Young People (see above)	333,177	1,331,115	(1,317,848)	62,055	-	408,499
Relief of Unemployment (see above)	274,400	268,792	(399,923)	5,315	-	148,584
<b>TOTAL RESTRICTED FUNDS</b>	<b>607,577</b>	<b>1,599,907</b>	<b>(1,717,771)</b>	<b>67,370</b>	<b>-</b>	<b>557,083</b>
<b>TOTAL DEBT</b>	<b>(403,333)</b>	<b>13,573,688</b>	<b>(13,426,579)</b>	<b>-</b>	<b>(3,550,000)</b>	<b>(3,806,224)</b>

**Unrestricted Funds**

The general fund represents the unrestricted funds of the charity that are not designated for particular purposes.

**Restricted Funds**

The restricted funds represent contracts to supply specific services under each of the above categories.

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

### 18 ANALYSIS OF NET ASSETS AND LIABILITIES BETWEEN FUNDS

GROUP	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	37,611	113,178	150,789
Current assets	3,582,064	744,006	4,326,070
Current liabilities	(1,976,420)	(300,101)	(2,276,521)
Provisions	(350,839)	-	(350,839)
Pension liability	(5,164,162)	-	(5,164,162)
	<u>(3,871,746)</u>	<u>557,083</u>	<u>(3,314,663)</u>
CHARITY	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	37,611	113,178	150,789
Investments	3	-	3
Current assets	3,582,064	744,006	4,326,070
Current liabilities	(1,976,420)	(300,101)	(2,276,521)
Other long term liabilities	(491,564)	-	(491,564)
Provisions	(350,839)	-	(350,839)
Pension liability	(5,164,162)	-	(5,164,162)
	<u>(4,363,307)</u>	<u>557,083</u>	<u>(3,806,224)</u>

### 19 RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Net outgoing resources before other recognised gains	(809,676)	(318,248)
Depreciation	63,948	65,356
Profit on disposal of fixed assets	(3,130)	-
Decrease/(increase) in stocks	2,076	(105)
Increase in debtors	(269,370)	(98,643)
Increase in creditors	653,117	3,883
Decrease in provisions	(22,224)	-
Impact of FRS17	274,162	437,000
Investment income	(140,109)	(153,434)
Pension finance interest	39,000	(135,000)
Taxation	-	21,340
CASH FLOW FROM OPERATING ACTIVITIES	<u>(212,206)</u>	<u>(177,851)</u>

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

20	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2009 £	2008 £
	(Decrease)/increase in cash in the year	(173,155)	77,364
	Movement in net funds in the year	(173,155)	77,364
	Net funds at start of year	2,934,448	2,857,084
	NET FUNDS AT END OF YEAR	2,761,293	2,934,448

21	ANALYSIS OF NET FUNDS	At 1 April 2008 £	Cash flow £	At 31 March 2009 £
	Cash at bank and in hand	2,934,448	(173,155)	2,761,293

## 22 COMMITMENTS – CHARITY AND GROUP

(a) Operating lease commitments at the end of the financial year with regard to non-cancellable operating leases are as follows:

	Group 2009		Charity 2009	
	Land and buildings £	Computer £	Land and buildings £	Computer £
Operating leases which expire:				
In the second to fifth years inclusive	303,067	4,110	303,067	4,110
After five years	7,750	-	7,750	-
	<u>310,817</u>	<u>4,110</u>	<u>310,817</u>	<u>4,110</u>
	Group 2008		Charity 2008	
	Land and buildings £	Computer £	Land and buildings £	Computer £
Operating leases which expire:				
Within one year	48,275	5,652	11,463	6,603
In the second to fifth years inclusive	273,907	4,110	222,691	12,199
After five years	-	-	65,000	-
	<u>322,182</u>	<u>9,762</u>	<u>299,154</u>	<u>18,802</u>

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

### 23 COMMITMENTS – CHARITY AND GROUP (continued)

- (b) Annual payments where the current leases have expired, but the charity continues to occupy the premises:

	2009 £	2008 £
Annual payments – premises	67,709	90,925
Annual payments – broadband	72,152	79,368

- (c) There were no capital commitments at the year end (2008: £nil).

### 24 PENSION SCHEME – CHARITY AND GROUP

The charity operates a defined contribution scheme on behalf of its employees. The pension cost charge for the year represents contributions payable by the charity to the fund and amounted to £919,838 (2008: £818,974). There were outstanding contributions of £132,467 (2008: £106,027) at the year end.

### 25 PENSION COMMITMENTS – CHARITY AND GROUP

As explained in the accounting policies, the charity operates a pension scheme providing benefits based on final pensionable pay. The scheme (Staffordshire County Council Pension Fund – Second Fund) is managed and administered by Staffordshire County Council. The contributions are determined by a qualified actuary. A full actuarial valuation of the scheme was carried out as at 31 March 2007 by Hymans Robertson. This has been updated by the actuary on an FRS17 basis as at 31 March 2009. The assumptions which have the most significant effect on these results were:

	2009 %	2008 %
Rate of increase in salaries	4.6	5.1
Rate of increase in pensions in payment	3.1	3.6
Discount rate	6.9	6.9
Inflation assumption	3.1	3.6

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

25 PENSION COMMITMENTS (continued)

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

	Long term rate of return expected 2009		Long term rate of return expected 2008		Long term rate of return expected 2007	
	%	£000	%	£000	%	£000
Equities	7.0	11,887	7.7	15,291	7.8	16,406
Bonds	5.4	2,972	5.7	2,788	4.9	2,419
Property	4.9	1,321	5.7	1,623	5.8	1,755
Cash	4.0	349	4.8	507	4.9	1,061
Total market value of assets		16,529		20,209		21,641
Present value of scheme liabilities		(21,693)		(21,549)		(26,118)
Deficit in scheme		(5,164)		(1,340)		(4,477)
Related deferred tax asset		-		-		-
Net pension liability		(5,164)		(1,340)		(4,477)

	2009	2008
	£000	£000
<b>ANALYSIS OF AMOUNT CHARGED TO NET INCOME</b>		

Current service cost	843	1,345
Past service cost	312	36
Curtailment and settlements	-	12

Total operating charge	1,155	1,393
------------------------	-------	-------

	2009	2008
	£000	£000
<b>ANALYSIS OF AMOUNT CHARGED/(CREDITED) TO NET INCOME/RESOURCES EXPENDED</b>		

Expected returns on pension scheme assets	(1,495)	(1,590)
Interest on pension scheme liabilities	1,534	1,455
Other finance income debited/(credited) to the Statement of Financial Activities	39	(135)

**Connexions Staffordshire Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

25 PENSION COMMITMENTS (continued)

AMOUNT RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Actuarial (losses)/gains	(3,550)	3,574	1,743	(896)	(131)
Actuarial (losses)/gains in STRGL	(3,550)	3,574	1,743	(896)	(131)
Cumulative actuarial gains and losses	740	4,290	716	(1,027)	(131)

AMOUNTS FOR THE CURRENT AND PREVIOUS ACCOUNTING PERIODS

YEAR ENDED	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Fair value of employer assets	16,529	20,209	21,641	19,232	14,627
Present value of defined benefit obligation	(21,693)	(21,549)	(26,118)	(24,945)	(18,981)
Deficit in the scheme	(5,164)	(1,340)	(4,477)	(5,713)	(4,354)
Experience gains/losses on assets	(6,328)	(4,110)	(140)	3,065	820
Experience gains/losses on liabilities	-	1,807	1	(465)	(546)

Reconciliation of defined benefit obligation	2009 £000	2008 £000
Opening defined benefit obligation	21,549	26,118
Current service cost	843	1,345
Interest cost	1,534	1,455
Contributions by members	512	472
Actuarial gains	(2,778)	(7,684)
Past service costs	312	36
Losses on curtailments	-	12
Estimated benefits paid	(279)	(205)
Closing defined benefit obligation	21,693	21,549

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

---

### 25 PENSION COMMITMENTS (continued)

Reconciliation of fair value of employer assets	2009 £000	2008 £000
Opening fair value of employer assets	20,209	21,641
Expected return on assets	1,495	1,590
Contributions by members	512	472
Contributions by the employer	920	821
Actuarial losses	(6,328)	(4,110)
Benefits paid	(279)	(205)
	<hr/>	<hr/>
Closing fair value of employer assets	16,529	20,209
	<hr/>	<hr/>

The actuarial valuation at 31 March 2007 showed a decrease in the deficit from £5,713,000 to £4,477,000. It was agreed with the trustees that contributions would be 11.8% for 2008/2009, 12.8% 2009/2010 and 13.8% for 2010/2011.

# Connexions Staffordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

### 26 RELATED PARTY TRANSACTIONS – CHARITY AND GROUP

Staffordshire County Council and Stoke-on-Trent City Council are both founder and current members of Connexions Staffordshire Limited.

During the year Connexions Staffordshire Limited entered into the following transactions with Staffordshire County Council, and Stoke-on-Trent City Council:

	Staffordshire County Council 2009 £	Stoke-on- Trent City Council 2009 £	Staffordshire County Council 2008 £	Stoke-on- Trent City Council 2008 £
<b>Income</b>	<b>7,180,072</b>	<b>4,068,258</b>	<b>7,034,948</b>	<b>3,790,152</b>
<b>Expenditure</b>				
Delivery costs	363,886	181,616	378,776	191,408

At the year end the charity held the following balances with the above members:

	Staffordshire County Council 2009 £	Stoke-on- Trent City Council 2009 £	Staffordshire County Council 2008 £	Stoke-on- Trent City Council 2008 £
<b>Debtors</b>				
Trade debtors	75,982	516,452	11,723	54,179
Prepayments and accrued income	-	-	-	20,553
<b>Creditors</b>				
Trade creditors	105,928	15,481	13,671	17,672
Accruals	88,194	27,586	58,434	18,343