

Improve Limited
A Company Limited by Guarantee
Financial statements
For the year ended 31 May 2008

COMPANIES HOUSE



TUESDAY



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COMPANIES HOUSE

Company No. 04768495

Company information

Company registration number: 04768495

Registered office: Ground Floor
Providence House
2 Innovation Close
Heslington
YORK
YO10 5ZF

Directors: S Barden
B Cains
S R P Chambers
A T Coleshill
C J Griffith
S Halkerston
S J Jackson
W J Jerney
I W MacLean
J K Matthews
M J J Mullan
J S Whitehead
P N Wilkinson

Secretary: S R P Chambers

Auditors: Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
2 Broadfield Court
SHEFFIELD
S8 0XF

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Report of the directors

The directors present their report together with financial statements for the year ended 31 May 2008

Principal activities and business review

The principal activity of the company during the year was working with sector employers and all relevant agencies to increase skills and workforce competencies as the licensed Sector Skills Council (SSC) for the food and drink manufacturing and processing sector

There was a surplus for the year after taxation amounting to £90,609 (2007 surplus £207,062)

During the year the Government agency responsible for overseeing the licensing and delivery of Sector Skills Council activity was changed from the Sector Skills Development Agency (SSDA) to UK Commission for Employment and Skills (UKCES). The company had a guaranteed level of grant funding from the SSDA on an annual basis, together with the opportunity to access additional grant funding for specific projects and activity. All ongoing funding agreements with the SSDA have been transferred to the UKCES without interruption to the company or any related activity. Whilst the company has continued to seek funding from a range of sources, as in previous periods the various funding opportunities available through the SSDA/UKCES combined to make these organisations the largest source of income to the company.

The level of surplus reported is largely due to effective control of overheads during the year, with income and the gross margin on funded project activity not significantly different to the budget for the year. The continued aim of the company is that all funds are appropriately focused on supporting activity that benefits the food and drink manufacturing and processing sector and delivers the objectives of the company.

We are grateful for the continued support for our work from within the sector, demonstrated through financial contributions and 'in-kind' through engagement with a wide range of our activity and processes. Meaningful engagement with sector employers and employer representative bodies remains essential to the company's ability to provide employer focused solutions and influence as well as delivery of its wider remit as a SSC. Additional to the company's ability to develop strategic relationships and influence on behalf of sector employers, Governments recently reiterated remit for SSCs requires tangible output and deliverables in conjunction with employers and employer representative bodies and clearly the company's sector engagement is fundamental to this.

The focus of the company during the year ended 31 May 2008 was continued development and delivery of strategic activity that underpins the delivery of solutions meeting the skill needs of the sector, together with increased engagement and influence with key stakeholders on behalf of the sector. Key elements and indicators relating to this include:

- Continuing to lead on development of the Diploma in Manufacturing and Product Design, to ensure that delivery of the Government agenda for vocational qualifications for students aged 14-19 is focused on employer needs
- Production of Sector Performance Standards to support sector human resource requirements and inform qualifications development
- Leading and managing the reform of sector qualifications to increase flexibility, relevance and uptake of awards
- Developing and implementing Apprenticeship Frameworks to enhance sector entry and progression opportunities
- Contributing to development and support of vocational curriculum development, sector entry and progression
- Developing a delivery model to support sector entry and progression through careers information services
- Completion of research to evidence trends affecting the sector and maintain the company's status as the leader on food and drink manufacturing and processing sector skills issues throughout the UK
- Continued focus on Key Account management as the basis for engagement with employers, employer representative bodies and stakeholders

Report of the directors

Principal activities and business review (continued)

- Increasing company newsletter sign-ons
- Increasing the number of unique web site hits each month
- Achieving increased awareness of the company
- Increased take-up of sector focused qualifications and learning frameworks
- Incorporation of the National Skills Academy for Food and Drink Manufacturing to facilitate delivery of key elements of the identified skills strategy for the sector

Development of the National Skills Academy for Food and Drink Manufacturing (NSA) has been an activity of the company during the past two years, with the goal of gaining NSA accreditation from the Learning & Skills Council (LSC). During the year the LSC provided a level of grant funding to enable Improve to incorporate the NSA as a company limited by guarantee (of which Improve Limited is the sole member) and ensure that the NSA was positioned to be operational as soon as possible after its incorporation. The costs incurred by Improve in carrying out relevant activity included the purchase of a small amount of IT equipment necessary to set up a working office for the NSA. This equipment was transferred to the NSA on incorporation, together with the associated LSC grant funding used to cover purchase of that equipment.

The company also received funding from two other sources on behalf of the NSA prior to its incorporation, ONENorthEast and Leicestershire Learning & Skills Council. These funds were not recognised as income during the year as they were simply held on behalf of the NSA and were transferred in full to the NSA on its incorporation.

The NSA was incorporated on 13 August 2007 and commenced operation from 3 September 2007. For the period from incorporation to 31 May 2008 the NSA has reported a surplus of £24,916 after tax.

During 2008/09 Improve Limited will continue to seek opportunities to play a key role in the skills agenda, UK wide, and so exert influence at a strategic level on behalf of sector employers. We are also aware of the need for delivery of discernible outputs from employer engagement activity, in order to demonstrate to Government that sector employers are fully supportive of efforts to both provide them with a voice on skills issues and opportunity to influence change to their benefit.

Results

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

Third party indemnity provision

During the year third party indemnity insurance was provided for the directors.

Corporate Governance

The Board

Improve Limited is an employer led organisation, with the Board currently comprising 11 Non-Executive directors and two Executive directors. The Board meets quarterly and is responsible for the strategic objectives of the company and overseeing the general management and control of the company's affairs. The Chief Executive has a pivotal role in communicating the views of the Board into actions.

Board Committees

Appointment of Board members is overseen by the Nominations and Remuneration Committee, which is tasked with ensuring an appropriate balance of expertise and sub-sector coverage. Board members are appointed on the basis of their position, knowledge and experience in the sector and their ability to inform the skills debate and represent the sector on skills issues. The other Board committee is the Audit Committee.

Report of the directors

Directors

The present membership of the Board is set out below. All directors served throughout the year except where indicated.

S Barden	(appointed 11 July 2007)
B Cains	
S R P Chambers	
A T Coleshull	
C Dunn	(resigned 6 July 2007)
C J Griffith	(appointed 19 July 2007)
S Halkerston	
S J Jackson	(appointed 20 August 2007)
W J Jerney	
I W MacLean	(appointed 11 July 2007)
J K Matthews	
M J J Mullan	
G Randell	(resigned 19 June 2008)
J S Whitehead	
P N Wilkinson	
R C Wilson	(resigned 16 July 2007)

Financial risk management

The company uses financial instruments comprising cash and debtors. The main purpose of these financial instruments is to finance the working capital cycle of the company and finance longer term capital needs.

The policies for managing the risks open to the company are summarised below and remain unchanged from the previous year.

Interest rate risk

The company considers movements in interest rates to be the main financial risk. The company has a policy of maximising the returns on cash held by investing in high interest bank accounts.

Directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the directors

Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



S R P Chambers
Secretary
9 October 2008



Report of the independent auditor to the members of Improve Limited A Company Limited by Guarantee

We have audited the financial statements of Improve Limited for the year ended 31 May 2008 which comprise the principal accounting policies, the income and expenditure account, the balance sheet and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Report of the directors and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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. We also report to you whether in our opinion the information given in the Report of the directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the directors 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Report of the independent auditor to the members of Improve Limited A Company Limited by Guarantee

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 the company's affairs as at 31 May 2008 and of its surplus 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 Report of the directors is consistent with the financial statements

as true and correct

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
10 October 2008

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the company have remained unchanged from the previous period and are set out below

Consolidation

In the opinion of the directors, Improve Limited and the National Skills Academy for Food and Drink Manufacturing together comprise a small group and as such the company has taken advantage of the exemption from preparing group accounts

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Income recognition

Grants

Where grants are received for general funding purposes they are recognised over the life of the relevant contract. For time defined projects, income is recognised over the time period to which it relates. Where specific milestones are required to be met, income is recognised once these have been agreed as achieved.

Sector funding

Sector funding is recognised on receipt unless the donor specifies a particular time period.

Commercial activities

Income from commercial activities is recognised in the period in which it is invoiced.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	3 years
Equipment	3 years
Improvements to leasehold buildings	4 years

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Income and expenditure account

	Note	Year ended 31 May 08 £	Year ended 31 May 07 £
Income	1	3,139,566	3,530,930
Expenditure			
Staff costs	3	1,300,842	1,308,231
Other operating charges		1,697,579	1,913,498
Depreciation	7	66,980	107,787
		3,065,401	3,329,516
Operating surplus	2	74,165	201,414
Interest receivable		22,748	9,381
Interest payable and similar charges	5	(1,698)	(1,682)
Surplus on ordinary activities before taxation		95,215	209,113
Tax on surplus on ordinary activities	6	(4,606)	(2,051)
Surplus transferred to the accumulated fund for the financial year	12	90,609	207,062

All of the activities of the company are classed as continuing

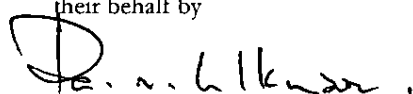
The company has no recognised gains or losses other than the results for the year as set out above

The accompanying accounting policies and notes form an integral part of these financial statements

Balance sheet

	Note	31 May 2008 £	31 May 2007 £
Fixed assets			
Tangible assets	7	<u>30,296</u>	<u>73,498</u>
Current assets			
Debtors	9	288,072	551,058
Cash at bank and in hand		<u>824,003</u>	<u>635,692</u>
		1,112,075	1,186,750
Creditors, amounts falling due within one year	10	<u>(668,823)</u>	<u>(866,517)</u>
Net current assets		443,252	320,233
Total assets less current liabilities		473,548	393,731
Creditors: amounts falling due after more than one year	11	-	(10,792)
		<u>473,548</u>	<u>382,939</u>
Reserves			
Accumulated fund	12	<u>473,548</u>	<u>382,939</u>

The financial statements were approved on behalf of the Board of Directors on 9 October 2008 and are signed on their behalf by



P N Wilkinson

The accompanying accounting policies and notes form an integral part of these financial statements

Notes to the financial statements

1 Income

The income and surplus before tax are attributable to the one principal activity of the company
 An analysis of income is given below

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Central Government grants		
Income received in the period	2,156,076	2,282,802
Released from deferred income in the period	248,549	164,822
Sector funding	99,110	221,715
Grant funded projects	524,962	705,146
Commercial activities	58,028	52,932
Capital grants released in period	52,841	103,513
	<u>3,139,566</u>	<u>3,530,930</u>

2 Operating surplus

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Operating surplus is stated after charging		
Depreciation of owned fixed assets	66,980	107,787
External auditors' remuneration		
- fees payable to the company's auditor for the audit of the annual accounts	8,049	7,873
- taxation services	705	670
Operating lease costs		
Land and buildings	71,714	71,714
Other	3,055	3,055
	<u>140,498</u>	<u>189,699</u>

3 Directors and employees

The average number of staff employed by the company during the financial period amounted to

	Year ended 31 May 2008	Year ended 31 May 2007
Administrative staff	25	26

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
The aggregate payroll costs of the above were		
Wages and salaries	1,077,477	1,097,383
Social security costs	125,216	108,448
Other pension costs	98,149	102,400
	<u>1,300,842</u>	<u>1,308,231</u>

Notes to the financial statements

4 Directors

Remuneration in respect of directors was as follows

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Emoluments receivable	240,040	233,315
Value of company pension contributions to money purchase schemes	15,469	14,912
	<u>255,509</u>	<u>248,227</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes was 2 (2007 2)

The amounts set out above include remuneration in respect of the highest paid director as follows

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Emoluments receivable	113,981	110,976
Value of company pension contributions to money purchase pension schemes	8,574	8,336
	<u>122,555</u>	<u>119,312</u>

5 Interest payable and similar charges

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Other similar charges payable	<u>1,698</u>	<u>1,682</u>

6 Taxation

(a) Analysis of charge in the period

The tax charge is based on the bank interest received in the year and represents

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
UK corporation tax based on the bank interest received in the year at 21% (2007 20%)	4,586	1,800
Under provision for the prior year	20	251
	<u>4,606</u>	<u>2,051</u>

Notes to the financial statements

6 Taxation (continued)

(b) Factors affecting current tax charge

The tax assessed on the bank interest received in the year is at the standard rate of corporation tax in the UK of 21% (2007 20%)

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Interest received	22,748	9,381
Interest received by rate of tax at 21% (2007 20%)	4,777	1,876
Adjustments in respect of prior period	20	251
Adjustments for change in tax rate	(191)	(76)
	4,606	2,051

7 Tangible fixed assets

	Improvements to leasehold buildings £	Fixtures & Fittings £	Equipment £	Total £
Cost				
At 1 June 2007	88,049	63,926	195,705	347,680
Additions	-	-	23,778	23,778
At 31 May 2008	88,049	63,926	219,483	371,458
Depreciation				
At 1 June 2007	54,933	51,695	167,554	274,182
Charge for the period	22,012	12,231	32,737	66,980
At 31 May 2008	76,945	63,926	200,291	341,162
Net book value				
At 31 May 2008	11,104	-	19,192	30,296
Net book value				
At 31 May 2007	33,116	12,231	28,151	73,498

8 Investments

At 31 May 2008 the company was the sole member of the following company limited by guarantee

	Country of incorporation	Nature of business	Capital and reserves £	Result for the period £
National Skills Academy for Food and Drink Manufacturing	England and Wales	Vocational training	24,916	24,916

Notes to the financial statements

9 Debtors

	31 May 2008 £	31 May 2007 £
Trade debtors	108,539	211,639
Other debtors	124,221	200,000
Prepayments and accrued income	55,312	139,419
	<u>288,072</u>	<u>551,058</u>

10 Creditors: amounts falling due within one year

	31 May 2008 £	31 May 2007 £
Trade creditors	76,866	105,781
Other taxation and social security	29,162	32,010
Other creditors	14,181	222,224
Accruals	252,509	229,549
Corporation tax	4,586	1,800
Deferred income		
Revenue grants	281,119	222,704
Capital grants	10,400	52,449
	<u>668,823</u>	<u>866,517</u>

11 Creditors: amounts falling due after more than one year

	31 May 2008 £	31 May 2007 £
Deferred income - Capital grants	-	10,792

12 Accumulated fund

	31 May 2008 £	31 May 2007 £
Balance brought forward	382,939	175,877
Retained surplus for the financial period	90,609	207,062
Balance carried forward	<u>473,548</u>	<u>382,939</u>

13 Capital commitments

There were no capital commitments at 31 May 2008 or 31 May 2007

Notes to the financial statements

14 Leasing commitments

At 31 May 2008 the company had annual commitments under non-cancellable operating leases as set out below

	31 May 2008		31 May 2007	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 to 2 years	71,714	3,055	-	-
Within 2 to 5 years	-	-	71,714	3,055

15 Pensions

Defined contribution pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

At the year end £7,508 (included in other creditors) was due in pension contributions.

16 Related party transactions

During the year a contribution of £50,000 (2007 £25,000) was received from the Sea Fish Industry Authority, a Non-Departmental Public Body, of which John Whitehead is a director. £130,905 (2007 £261,820) of funds were also administered by the company on behalf of the Sea Fish Industry Authority (see note 18).

During the year income of £18,210 (2007 £20,850) was received from Food & Drink Qualifications Limited and £13,565 (2007 £23,685) from Meat Training Council, relating to the issue of apprenticeship and NVQ certificates. A balance of £4,150 was outstanding at the year end (2007 nil). Bill Jerney is a director of both these companies.

During the year payments were made to the Food and Drink Training Council (NI), a company of which Brian Cains and Mike Mullan are directors. These amounted to £25,401 (2007 £21,919) and related to the company representing Improve in Northern Ireland. A balance of £3,255 was outstanding at the year end (2007 £2,170).

During the year £147,000 (2007 nil) was transferred to the National Skills Academy for Food and Drink Manufacturing. These were funds received and held by Improve on behalf of that company prior to its incorporation and subsequently transferred following its incorporation. No balances were held on behalf of that company at the year end (2007 £147,000).

17 Company limited by guarantee

Under Clause 7 of the Memorandum of Association all members undertake to contribute to the assets of the company such an amount as may be required, not exceeding £1, in the event of it being wound up during the period of membership and within one year afterwards.

18 Agency arrangements

During the year the company received funds of £130,905 (2007 £261,820) from the Sea Fish Industry Authority which it distributed to other companies on behalf of the Authority. The company received no payment for this service and these funds are not included in the income and expenditure account of the company.

19 Financial derivatives

The company had no financial derivatives at 31 May 2008 or 31 May 2007.