

Financial Statements Essex Employment and Inclusion Limited

For the year ended 31 March 2015



Registered number: 06725306

Company Information

Directors	W J Grafton (resigned 30 May 2014) E Chidgey (resigned 10 September 2015) M B P Fitzgerald (appointed 10 September 2015)
Company secretary	A L Brown
Registered number	06725306
Registered office	Seax House Victoria Road Chelmsford Essex CM1 1QH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 80 Compair Crescent Ipswich Suffolk IP2 0EH

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Director's Report

For the year ended 31 March 2015

The director presents his report and the financial statements for the year ended 31 March 2015.

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Directors

The directors who served during the year were:

W J Grafton (resigned 30 May 2014)

E Chidgey (resigned 10 September 2015)

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Essex Cares is an equal opportunities employer and fully supports its Equality and Diversity policy.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Essex Employment and Inclusion Limited

Director's Report

For the year ended 31 March 2015

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30/10/15 and signed on its behalf.



M B P Fitzgerald
Director

Independent Auditor's Report to the Members of Essex Employment and Inclusion Limited

We have audited the financial statements of Essex Employment and Inclusion Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Essex Employment and Inclusion Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Director's report.

Grant Thornton UK LLP

Ian Thoroughgood (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Ipswich
Date:

30/10/15

Profit and Loss Account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Administrative expenses		(5,433,694)	(5,438,021)
Other operating income	2	<u>5,130,694</u>	<u>5,127,021</u>
Operating loss	3	(303,000)	(311,000)
Other finance income	5	<u>342,000</u>	<u>144,000</u>
Profit/(loss) on ordinary activities before taxation		39,000	(167,000)
Tax on profit/(loss) on ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) for the financial year	9	<u>39,000</u>	<u>(167,000)</u>

All amounts relate to continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

Statement of Total Recognised Gains and Losses

For the year ended 31 March 2015

	Note	2015 £	2014 £
Profit/(loss) for the financial year		39,000	(167,000)
Actuarial gain related to pension scheme	11	<u>(1,462,000)</u>	<u>1,975,000</u>
Total recognised gains and losses relating to the year		<u>(1,423,000)</u>	<u>1,808,000</u>

The notes on pages 8 to 12 form part of these financial statements.

Balance Sheet

As at 31 March 2015

	Note	£	2015 £	£	2014 £
Current assets					
Debtors	6	100		100	
Creditors: amounts falling due within one year	7	<u>(238,686)</u>		<u>(238,686)</u>	
Net current liabilities			<u>(238,586)</u>		<u>(238,586)</u>
Total assets less current liabilities			<u>(238,586)</u>		<u>(238,586)</u>
Defined benefit pension scheme asset	11		<u>621,000</u>		<u>2,044,000</u>
Net assets including pension scheme asset/(liability)			<u><u>382,414</u></u>		<u><u>1,805,414</u></u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>382,314</u>		<u>1,805,314</u>
Shareholders' funds	10		<u><u>382,414</u></u>		<u><u>1,805,414</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/10/15



M B P Fitzgerald
Director

The notes on pages 8 to 12 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2015.

2. Other operating income

	2015 £	2014 £
Management charges receivable	<u>5,130,694</u>	<u>5,127,021</u>

3. Operating loss

During the year, no director received any emoluments (2014 - £NIL).

4. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,557,202	4,584,585
Social security costs	270,343	301,759
Other pension costs (Note 11)	606,149	551,677
	<u>5,433,694</u>	<u>5,438,021</u>

The average monthly number of employees, including the director, during the year was as follows:

	2015 No.	2014 No.
Staff	<u>272</u>	<u>304</u>

Notes to the Financial Statements

For the year ended 31 March 2015

5. Other finance income

	2015	2014
	£	£
Expected return on pension scheme assets	1,049,000	884,000
Interest on pension scheme liabilities	(707,000)	(740,000)
	<u>342,000</u>	<u>144,000</u>

6. Debtors

	2015	2014
	£	£
Called up share capital not paid	<u>100</u>	<u>100</u>

7. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Amounts owed to group undertakings	<u>238,686</u>	<u>238,686</u>

8. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. Reserves

	Profit and loss account £
At 1 April 2014	1,805,314
Profit for the financial year	39,000
Pension reserve movement	(1,462,000)
At 31 March 2015	<u>382,314</u>

The closing balance on the Profit and loss account includes a £621,000 (2014 - £2,044,000) credit, stated after deferred taxation of £NIL (2014 - £NIL), in respect of pension scheme liabilities of the company pension scheme.

Notes to the Financial Statements

For the year ended 31 March 2015

10. Reconciliation of movement in shareholders' funds

	2015	2014
	£	£
Opening shareholders' funds/(deficit)	1,805,414	(2,586)
Profit/(loss) for the financial year	39,000	(167,000)
Actuarial gain in respect of defined benefit pension scheme	(1,462,000)	1,975,000
Closing shareholders' funds	382,414	1,805,414

11. Pension commitments

The company operates a Defined benefit pension scheme.

The company is part of a defined benefit multi-employer pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company and are administered by trustees. No other post-retirement benefits are provided. The scheme is a funded scheme. The assets and liabilities are recognised by each employer according to its individual employees.

The key FRS17 assumptions used for the scheme are set out below along with details of amounts included within the accounts in respect of the pension scheme.

The amounts recognised in the Balance sheet are as follows:

	2015	2014
	£	£
Present value of funded obligations	(19,344,000)	(15,580,000)
Fair value of scheme assets	19,965,000	17,624,000
Net asset	621,000	2,044,000

The amounts recognised in profit or loss are as follows:

	2015	2014
	£	£
Current service cost	(485,000)	(518,000)
Interest on obligation	(707,000)	(740,000)
Expected return on scheme assets	1,049,000	884,000
Total	(143,000)	(374,000)

Notes to the Financial Statements

For the year ended 31 March 2015

11. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	15,580,000	16,153,000
Current service cost	485,000	518,000
Interest cost	707,000	740,000
Contributions by scheme participants	148,000	170,000
Actuarial Losses/(gains)	2,824,000	(1,704,000)
Benefits paid	(400,000)	(297,000)
Closing defined benefit obligation	<u>19,344,000</u>	<u>15,580,000</u>

Changes in the fair value of scheme assets were as follows:

	2015 £	2014 £
Opening fair value of scheme assets	17,624,000	16,389,000
Expected return on assets	1,049,000	884,000
Actuarial gains and (losses)	1,362,000	271,000
Contributions by employer	182,000	207,000
Contributions by scheme participants	148,000	170,000
Benefits paid	(400,000)	(297,000)
	<u>19,965,000</u>	<u>17,624,000</u>

The company expects to contribute £185,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	67.00 %	67.00 %
Government bonds	4.00 %	8.00 %
Other bonds	10.00 %	8.00 %
Property	11.00 %	11.00 %
Cash/Liquidity	2.00 %	2.00 %
Alternative assets	6.00 %	4.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate at 31 March	3.40 %	4.50 %
Expected return on scheme assets at 31 March	6.00 %	6.00 %
Future salary increases	2.80 %	3.10 %
Future pension increases	2.05 %	2.40 %
Inflation - RPI	3.05 %	3.40 %
Inflation - CPI	2.05 %	2.40 %

Notes to the Financial Statements

For the year ended 31 March 2015

11. Pension commitments (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(19,344,000)	(15,580,000)
Scheme assets	19,965,000	17,624,000
Surplus/(deficit)	621,000	2,044,000
Experience adjustments on scheme liabilities	(2,824,000)	1,704,000
Experience adjustments on scheme assets	1,362,000	271,000

The actual return on scheme assets in the year was £2,411,000 (2014 - £1,444,000).

12. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Essex Cares Limited. The ultimate parent undertaking and controlling related party is Essex County Council. Both parent undertakings produce consolidated financial statements which include the results of the company.

As a wholly owned subsidiary of Essex Cares Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.