

Exemplas Holdings Limited

Group Financial Statements for the year ended 31 March 2011

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COMPANIES HOUSE

Directors and Officers

Directors

JN Reyner (Chairman) CBE, DL
JG Collier
G Hodge
TR Hutchings
AM Puddefoot
C Tapster
B Wisdom
Q McKellar CBE

Secretary

AM Puddefoot

Registered Office

Zenith Court
4 Bishops Square Business Park
Hatfield
Herts
AL10 9NE

Auditors

Grant Thornton UK LLP
Grant Thornton House
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

Bankers

National Westminster Bank plc
10 St Peter's Street
St Albans
Herts
AL1 3LY

Directors' report (continued)

Financial statements

The directors present their annual report and financial statements for the year ended 31 March 2011

Principal Activities

The group's (Exemplas Holdings Ltd and its subsidiaries undertakings and joint ventures) principal activity is the provision of a wide range of business advice and support services including information, training, consultancy and events management. There have not been any significant changes in the company's principal activities in the year under review.

Business review and future developments

As shown in the group's profit and loss account on page 7, income has decreased by £565k but the operating profit for the financial year of £643k is again ahead of the target of £451k.

Government contracts remain the group's key source of income with an increase in UK government contracts and a decline in income levels from Europe.

The Balance Sheet continues to reflect the strong trading position. The cash position has remained strong throughout the period.

The EEIDB Ltd and Y&H IDB Ltd business link contracts end on 25 November 2011, at which point the Joint Venture companies will go through a formal process of liquidation.

Key performance indicators

	Target	2011	2010
Income before adjustment for Joint Ventures	£48m	£47m	£47m
Operating Profit	£451k	£643	£887k
Business Link Penetration/Interventions	143,197	168,248	146,369
Business Link Intensive Relationships/Customers assisted to improve performance	33,450	34,980	61,292
Business Link - Benefit to Business	87%	92.6%	86.6%
Business Link - Customer Satisfaction	85%	87%	89%

Notes to KPI

BL Penetration represents the number of customers served as a percentage of the number of businesses in the relevant Business Link regions. This is one of the key performance indicators for the delivery of the Business Link contract for Business Link Yorkshire. It has been replaced by the Business Interventions target for Business Link East.

Intensive Relationships are where the company has worked with businesses to analyse their needs and develop an action plan that is implemented over a period of time. The group has achieved this target.

Overall Customer Satisfaction represents the percentage of customers surveyed that are Satisfied or Very satisfied with the service received. This is an extremely stretching target and after discussion with the East of England Development Agency it was agreed to replace this target with the *Benefit to Business* target this year for Business Link East. *Benefit to Business* represents the number of businesses intensively assisted that reported a benefit of the Business Link service. For Business Link East it replaces the Customer Satisfaction target.

Directors' report (continued)

Principal risks and uncertainties facing the company

Financial instruments

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk

The company does not have material exposures in any of the areas identified above and, consequently does not use derivative instruments to manage these exposures

The company's principal financial instruments comprise sterling cash and bank deposits obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations

The main risks arising from the company's financial instruments can be analysed as follows

Price risk

The company has no significant exposure to securities price risk, as it holds no listed equity investments

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. As the level of these operations is small the overall risk is not significant. The main foreign currency in which the company operates is the Euro

Credit risk

The company's principal financial assets are cash, and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets

The company's credit risk is primarily attributable to its trade debtors. Credit risk is not considered to be significant as the majority of its large contracts are from local, central or European government, who are unlikely to default

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Liquidity risk

The company holds a significant proportion of its assets in the form of cash held on flexible short term deposits and consider that the risk attached to these is therefore low

Dividends

The directors do not propose the payment of a dividend for the year ended 31 March 2011

Donations

The company made no charitable donations during the year

Directors' report (continued)

Directors

The directors of the company during the year were as follows

JN Reyner (Chairman) CBE, DL
JG Collier
GJ Hodge
TR Hutchings
TM Neville FCCA (resigned 28 February 2011)
AM Puddefoot
C Tapster
B Wisdom

On 23 May 2011 Professor Quintin McKellar was appointed a director of the company

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Directors' report (continued)

Auditors

The company's articles require annual reappointment of the auditors. Grant Thornton UK LLP have expressed their willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors was passed by members at a meeting held 13 September, 2011.

Approval

The report of the directors was authorised and approved by the Board on ²⁸~~26~~ September, 2011 and signed on its behalf by



JN Reyner CBE DL
Chairman
4 Bishops Square Business Park
Hatfield
Herts
AL10 9NE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXEMPLAS HOLDINGS LIMITED

We have audited the financial statements of Exemplas Holdings Limited for the year ended 31 March 2011 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2011 and of the group's 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

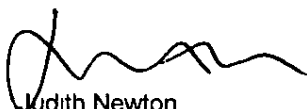
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Judith Newton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Central Milton Keynes

28 September 2011

Consolidated profit and loss account

For the year ended 31 March 2011

	Notes	2011 £	2010 restated £
Income		46,856,707	47,421,962
Less Income attributable to Joint Venture (continuing)		(103,871)	-
Less Income attributable to Joint Venture (discontinuing)		(27,874,332)	(26,914,039)
Total Income		<u>18,878,504</u>	<u>20,507,923</u>
 Operating costs		(16,629,143)	(18,291,223)
Administrative expenses		(1,606,790)	(1,329,431)
Group Operating profit		<u>642,571</u>	<u>887,269</u>
Share of operating (loss) in Joint Ventures (continuing)		(2,561)	-
Share of operating profit/(loss) in Joint Ventures (discontinuing)		(552,986)	130,212
		<u>87,024</u>	<u>1,017,481</u>
Interest receivable - group		63,899	70,527
Interest receivable - Joint Ventures		6,136	5,681
Other finance income/(cost)		-	(26,000)
		<u>70,035</u>	<u>49,208</u>
Profit on ordinary activities before taxation	1	157,059	1,067,689
Taxation	2	(163,257)	(141,759)
Profit on ordinary activities after taxation	9	<u>(6,198)</u>	<u>925,930</u>

Other than where shown, all profits arise from continuing activities and are recognised in the profit and loss account above

Consolidated profit and loss account

For the year ended 31 March 2011

Statement of Group Total Recognised Gains and Losses

For the year ended 31 March 2011

	2011	2010
	£	£
Retained profit for the year	(6,198)	925,930
Actuarial gain/(loss) relating to the pension scheme	941,000	(840,000)
Total recognised gains for the year	<u>934,802</u>	<u>85,930</u>

The notes on pages 12 to 30 form an integral part of these accounts

Group balance sheet

31 March 2011

Registered number 2763292

	Notes	2011	2010
		£	restated £
Fixed assets			
Tangible assets	3	2,910,528	1,908,445
Investments	5	1,539,617	1,506,678
Other Investment	5	23,000	-
Goodwill	4	-	1,948
Investments in joint ventures			
Share of gross assets		6,712,973	4,832,281
Share of gross liabilities		(5,698,788)	(3,590,387)
		<u>1,014,185</u>	<u>1,241,894</u>
		5,487,330	4,658,965
Current assets			
Debtors	6	4,502,422	5,303,608
Cash at bank and in hand		<u>5,008,475</u>	<u>5,327,835</u>
		9,510,897	10,631,443
Creditors: amounts falling due within one year	7	<u>(9,330,267)</u>	<u>(9,636,250)</u>
Net current assets		<u>180,630</u>	<u>995,193</u>
Total Assets less Current Liabilities		5,667,960	5,654,158
Pension (Liability)	15	<u>(123,000)</u>	<u>(1,044,000)</u>
Net assets		<u>5,544,960</u>	<u>4,610,158</u>
Capital and reserves			
Called-up share capital	8	100	100
Other Reserve (attributable to Business Link Yorkshire contract)	9	565	549,140
Profit and Loss Reserve	9	<u>5,544,295</u>	<u>4,060,918</u>
Total Group Profit and Loss Reserve	9	<u>5,544,860</u>	<u>4,610,058</u>
Equity shareholders' funds	10	<u>5,544,960</u>	<u>4,610,158</u>

The notes on pages 12 to 30 form an integral part of these accounts. The financial statements on pages 7 to 30 were authorised and approved by the Board on and signed on its behalf by



JN Reyner CBE DL
Chairman

28/9/11

Company Balance Sheet

31 March 2011

Registered number 2763292

	Notes	2011 £	2010 £
Fixed assets			
Investments	5	43,033	44,928
		<u>43,033</u>	<u>44,928</u>
Current assets			
Debtors	6	3,283,469	2,972,756
Cash at bank and in hand		<u>2,529,084</u>	<u>3,210,356</u>
		5,812,553	6,183,112
Creditors: amounts falling due within one year	7	<u>(5,214,702)</u>	<u>(5,605,208)</u>
Net current assets		597,851	577,904
Total assets less current liabilities		640,884	622,832
Pension (Liability)	15	<u>(123,000)</u>	<u>(1,044,000)</u>
Net assets		<u>517,884</u>	<u>(421,168)</u>
Capital and reserves			
Called-up share capital	8	100	100
Reserves	9	<u>517,784</u>	<u>(421,268)</u>
Equity shareholders' funds	10	<u>517,884</u>	<u>(421,168)</u>

The notes on pages 12 to 30 form an integral part of these accounts

The financial statements on pages 7 to 30 were authorised and approved by the Board on and signed on its behalf by



JN Reyner CBE DL
Chairman

28/9/11

Cash flow statement

For the year ended 31 March 2011

	Notes	2011	2010
		£	£
Net cash (inflow) from operating activities	11	1,248,653	2,007,131
Returns on investments and servicing of finance			
Interest received		<u>63,899</u>	<u>70,527</u>
Taxation			
UK corporation tax paid		<u>(286,332)</u>	<u>(82,880)</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		<u>(1,279,495)</u>	<u>(1,786,717)</u>
Payments to acquire investments		<u>(66,085)</u>	<u>(18,590)</u>
Net cash outflow from capital expenditure and financial investment		<u>(1,345,580)</u>	<u>(1,805,307)</u>
Increase in cash during the year	12	<u>(319,360)</u>	<u>189,471</u>

The notes on pages 12 to 30 form an integral part of this cash flow statement

Notes to the financial statements

31 March 2011

Statement of accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and the preceding year.

Basis of accounting

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

Restatement of prior year balances

The profit and loss and balance sheet for 2010 has been restated to reflect the elimination of intercompany balances and transactions. The impact of the eliminations does not affect the overall balance sheet value and the impact on the profit and loss is nil.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2011. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date that control passed. Intra-group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Joint venture companies

Joint ventures are accounted for in accordance with FRS 9 whereby the profit and loss account include, at the appropriate line, the group's share of operating profit or loss, exceptional items, interest and taxation. They are stated in the balance sheet at the group's share of their equity. Losses are recognised only to an amount which brings the group's share in the joint ventures net assets to nil. This reflects the contractual arrangements between the group and its joint venture companies.

Turnover

Turnover arose solely in the UK and mainly represents government and other funding invoiced net of VAT. Revenue is recognised once the services have been provided. Grant income received in advance is credited to "accruals and deferred income" and is released to income when the obligations under the grant have been satisfied and the related expenditure has been disbursed. Where grant monies are not paid in advance, income is reflected in the profit and loss representing value of work executed under the terms of the contract. Where grant monies have not been received but have been invoiced they are shown as trade debtors. Where grant monies are due to the group but not been invoiced they are shown as accrued income.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date the transaction occurred. Exchange differences are taken to the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life at the following rates per annum,

Notes to the financial statements (continued)

31 March 2011

Statement of accounting policies (continued)

Office equipment and furniture	- 25%
Computer equipment	- 33%
Laboratory Equipment	-10%
Leasehold improvements	- Over the term of the lease

Fixed asset investments

Fixed asset investments are stated at current valuation less any provision for impairment

Operating leases

Operating leases are charged against income on a straight-line basis over the lease term. Benefits received as an incentive to sign an operating lease, are spread on a straight line basis over the shorter of the lease term or the first review date, at which the rent is first expected to be adjusted to the prevailing market rate.

Government grants

Grants for capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful life of the assets.

Grants received in respect of specific project expenditure are credited to deferred income and recognised in the profit and loss account in the same period as the related expenditure.

Pension costs

Staff employed by the company are either members of the Hertfordshire County Council Pension Scheme (a defined benefit scheme) or are members of the group administered personal pension plan (a defined contribution scheme).

In the case of the defined benefit scheme, the regular cost of providing benefits is charged to the profit and loss account over the service lives of the members participating in the Hertfordshire County Council Pension Scheme, on the basis of a consistent percentage of pensionable pay. Variations from regular cost arising from periodic actuarial valuations are allocated to the profit and loss account over the expected remaining service lives of the members. Any other changes in the fair value of assets and liabilities are recognised in the statement of total recognised gains and losses.

The costs of providing retirement and related benefits for the group administered personal pension plan are charged to the income and expenditure account over the periods during which the members are employed.

Taxation

Corporation tax is provided at amounts expected to be paid or recovered using tax rates that have been enacted or substantially enacted by the balance sheet date.

Notes to the financial statements (continued)

31 March 2011

Statement of accounting policies (continued)

Deferred tax

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

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates expected to apply in the periods in which the timing differences are expected to reverse based on rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

Profit and loss account

The group accounts consolidate the accounts of Exemplas Holdings Limited and its subsidiary undertakings. The company has taken advantage of the exemption under Section 230 of the Companies Act 2006 not to present its own profit and loss account. Profit after tax for the financial year dealt within the accounts of Exemplas Holdings Limited was £nil (2010: nil).

Notes to the financial statements (continued)

31 March 2011

1 Profit on ordinary activities before taxation is stated after charging:

	2011 £	2010 £
Auditors' remuneration - audit fee	26,500	26,000
Goodwill written off	1,948	-
Depreciation	277,415	184,315
Profit on disposal of fixed assets	-	65,524
Operating lease charges – land and buildings	295,000	295,000
Costs of preparation for closing down discontinuing Joint Venture companies	<u>2,222,325</u>	<u>-</u>

2 Taxation

	2011 £	2010 £
Current tax		
UK corporation tax on profit for the year	155,733	258,441
Adjustment in respect of prior years	<u>13,037</u>	<u>(88,337)</u>
Total current tax	168,770	170,104
Deferred tax		
Origination of timing differences	(8,695)	(32,078)
Effect of change in rate on opening balances	3,182	-
Adjustment in respect of prior years	<u>-</u>	<u>3,733</u>
Total deferred tax	<u>(5,513)</u>	<u>(28,345)</u>
Tax on profit on ordinary activities	<u>163,257</u>	<u>141,759</u>

Taxation in the profit and loss statement relates to the following

Parent and subsidiaries	161,541	140,168
Joint Ventures	1,716	1,591

Notes to the financial statements (continued)

31 March 2011

2 Taxation (continued)

Tax assessed for the period differs from the amount expected by applying the standard rate of corporation tax in the UK (28%) (2010 28%) The differences are explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	157,059	931,795
Profit on ordinary activities multiplied by standard rate in the UK (28%) (2010 28%)	43,976	260,903
Effects of		
Non taxable income	153,602	6,207
Expenses not deductible for tax purposes	223,532	(14,722)
Other timing differences	(278,734)	(186)
Losses not utilised	714	-
Tax rate difference	(1,092)	(2,470)
Adjustments in respect of prior years	13,037	(88,337)
Depreciation in excess of capital allowances for period	12,499	7,919
Additional income taxable	1,236	790
Current tax charge for the year	168,770	170,104

3 Tangible fixed assets

Group	Leasehold improvements £	Computer equipment £	Office Equipment and furniture £	Laboratory Equipment £	Total £
Cost					
1 April 2010	1,950,456	910,655	166,028	187,433	3,214,572
Additions	1,169,798	67,183	10,873	31,644	1,279,498
Disposals	-	(104,308)	-	-	(104,308)
31 March 2011	3,120,254	873,530	176,901	219,077	4,389,762
Depreciation					
1 April 2010	407,530	741,247	155,993	1,357	1,306,127
Charge for the year	101,872	143,088	10,824	21,631	277,415
Disposals	-	(104,308)	-	-	(104,308)
31 March 2010	509,402	780,027	166,817	22,988	1,479,234
Net book amount					
At 31 March 2011	2,610,852	93,503	10,084	196,089	2,910,528
At 31 March 2010	1,542,926	169,408	10,035	186,076	1,908,445

Company

The company had no fixed assets

Notes to the financial statements (continued)

31 March 2011

4 Goodwill

	2011	2010
Cost at 1 April	1,948	1,948
Written off during the year	(1,948)	-
At 31 March	-	1,948

Goodwill arose on the acquisition of Polyfield Services Ltd

5 Fixed asset investments

Company

	2011	2010
	£	£
At 1 April	44,928	44,928
Additions during year	32,053	-
At 31 March	76,981	44,928

Investment arose on the purchase of shares in Trade Skills Academy Ltd and Film Link Ltd in the year

Write down of Investments

At 1 April		
Write off of Goodwill	(1,948)	-
Provision against Trade Skills Academy Ltd	(32,000)	-
At 31 March	(33,948)	-
Net book value of investments	43,033	44,928

Notes to the financial statements (continued)

31 March 2011

At 31 March 2011, the company held the following investments

Company	% Shareholding £1 Ordinary Shares	Holding	Nature of Business
Hertfordshire Business Centre Services Limited	100%	£2	Dormant
Exemplas Limited	100%	£2	Provision of services to business
Hertfordshire Business Centre Limited	100%	£2	Dormant
Herts IDB Limited	100%	£2	Dormant
East of England IDB Limited	50%	£2	Provision of services to business
Bio Park Hertfordshire Limited	100%	£2	Provision of facilities management
Hertfordshire Development Organisation Limited	100%	£2	Dormant
East of England Brokerage Limited	100%	£2	Dormant
London Brokerage Limited	100%	£2	Provision of services to business
Polyfield Services Limited	100%	£14	Provision of services to business
Y&H IDB Limited	50%	£50	Provision of services to business
Employer Training Services	100%	£2	Dormant
South East IDB Limited	100%	£2	Dormant
Exemplas Training Limited	100%	£2	Dormant
Film Link Ltd	100%	£2	Services to film industry
Trade Skills Academy Ltd	10%	£100	Provision of services to business
Sales Skills Academy	51%	£51	Provision of services to business

The following relates to the company share of investment in its joint venture East of England IDB Ltd

	2011 £	2010 £
Turnover	12,087,392	8,556,181
Profit before tax	1716	1,591
Taxation	1716	1,591
Profit after tax	-	-
Fixed Assets	-	-
Current Assets	3581225	1,977,751
Creditors amounts falling due within one year	3,581,175	1,977,801
Creditors amounts falling due after one year		

Notes to the financial statements (continued)

31 March 2011

The following relates to the company share of investment in its joint venture Y&H IDB Limited

	2011	2010
	£	£
Turnover	15,786,940	18,357,858
Profit before tax	1,292,026	134,302
Taxation	-	-
Profit after tax	1,292,026	134,302
Fixed Assets	212,038	414,530
Current Assets	2,806,573	2,440,000
Creditors amounts falling due within one year	1,343,220	1,745,090
Creditors amounts falling due after one year	1,674,776	560,270

The following relates to the company share of investment in its joint venture Sales Skills Academy Limited

	2011	2010
	£	
Turnover	103,871	-
Profit before tax	(2551)	-
Taxation	-	-
Profit after tax	(2551)	-
Fixed Assets	-	-
Current Assets	113,138	-
Creditors amounts falling due within one year	115,638	-
Creditors amounts falling due after one year	-	-

Notes to the financial statements (continued)

31 March 2011

Group

The following relates to Investments

	2011
	£
At 1 April 2010	1,584,578
Additions during year	11,083
	<hr/>
At 31 March 2011	1,595,661
	<hr/>

Provision for diminution in value

At 1 April 2010	77,900
Released during year	(21,856)
	<hr/>
At 31 March 2011	56,044
	<hr/>

Net Book value

As at March 2011	1,539,617
As at March 2010	1,506,678

Other Investments

At 1 April 2010	-
Purchase of Film Link database	23,000
	<hr/>
At 31 March 2011	23,000
	<hr/>

During the year the company made investments in a number of unlisted companies. The holdings of investments constitute less than 20% of the issued share capital of these entities.

The directors' assess investments for any diminution in value, whenever events or changes in circumstances indicate the carrying value of any investments may not be recoverable. If any such indication exists, a provision is made against those investments. The deferred grant income is then released in the same period to match with the related provision.

During the year amounts provided against the investments was £21,856 and an equal amount of deferred grant

Notes to the financial statements (continued)

31 March 2011

income was released in the same period to match the provision

6 Debtors

	Group		Company	
	2011	2010 restated	2011	2010
	£	£	£	£
Trade debtors	1,051,757	3,008,936	59	492,094
Amounts owed by group undertakings	-	-	946,692	1,386,940
Amounts owed by parent entity	1,063,153	211,340	239,460	216,303
Amounts owed by subsidiaries	909,081	70,472	1,783,911	-
Other debtors	24,995	290,564	8,451	56,716
Deferred tax (Note 13)	50,061	44,548	-	-
Prepayments and accrued income	1,403,375	1,677,748	304,896	820,703
	<u>4,502,422</u>	<u>5,303,608</u>	<u>3,283,469</u>	<u>2,972,756</u>

Group Debtors have been restated to reflect the elimination of Joint Venture transactions

7 Creditors: amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	949,992	376,550	62,906	117,224
Amounts owed to group undertakings	-	-	4,024,159	4,550,691
Corporation tax	67,009	191,799	-	-
Other creditors	31,424	2,236	29,438	1,960
Pension contributions	43,632	113,821	43,632	113,821
Other taxation and social security	393,702	211,329	283,751	117,345
Accruals and deferred income	7,844,508	8,740,515	770,816	704,167
	<u>9,330,267</u>	<u>9,636,250</u>	<u>5,214,702</u>	<u>5,605,208</u>

Notes to the financial statements (continued)

31 March 2011

8 Share capital

	Authorised 2011 Number	2010 Number	Allotted, called-up and fully paid 2011 £	2010 £
£1 Ordinary shares	100	100	100	100

Shareholders

	2011 %	2010 %
University of Hertfordshire	98	98
Hertfordshire County Council	1	1
Hertfordshire Chamber of Commerce & Industry	1	1
	100	100

9 Reserves

	Group –other JV reserves £	Group profit and loss account £	Total Group profit and loss account £	Company profit and loss account £
At 1 April 2010	549,140	4,060,918	4,610,058	(421,268)
Profit/(loss) for the financial year	(548,575)	542,377	(6,198)	(1,948)
Actuarial Gain/(Loss)	-	941,000	941,000	941,000
31 March 2011	565	5,544,295	5,544,860	517,784

The Group – other reserves represents the company's share of Business Link Yorkshire Ltd reserve. This is a contract cessation reserve which is intended to cover potential liabilities that may arise over the life of the Business Link contract. It is anticipated that the wind-up liability will principally accrue in relation to personnel costs. A target figure for this reserve represents the company's share of 100% of the estimated contract cessation costs. By virtue of the company's main contract this reserve may only be used for this specific purpose.

Notes to the financial statements (continued)

31 March 2011

10 Reconciliation of movements in shareholders' funds

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Opening shareholders funds	4,610,158	4,524,228	(421,168)	418,832
Total recognised gains/(losses) for the period	934,802	85,930	939,052	(840,000)
Closing shareholders' funds	5,544,960	4,610,158	517,884	(421,168)

11 Reconciliation of group operating profit to net cash inflow/(outflow) from operating activities

	2011	2010
	£	£
Group operating profit	642,571	887,269
FRS 17 pension adjustment	20,000	(34,000)
Depreciation	277,415	185,315
Loss on disposal of fixed assets	-	65,524
Goodwill written off	1,948	-
Diminution of Investments	10,145	77,900
Decrease/(Increase) in debtors	477,767	(530,293)
(Decrease)/Increase in creditors	(181,193)	1,355,416
Net cash (outflow) from continuing operating activities	1,248,653	2,007,131

12 Reconciliation of net cash flow to movement in net cash

	2011	2010
	£	£
Increase/(decrease) in cash during period	(319,360)	189,479
Net cash at 1 April	5,327,835	5,138,366
Net cash at 31 March	5,008,475	5,327,835

13 Deferred tax asset

Group	2011	2010
	£	£
Other timing differences	50,061	44,548
At 1 April 2010	44,548	16,203
Charged to the profit and loss account (Note 2)	5,513	28,345
At 31 March 2011	50,061	44,548

Company

The company has no provided or unprovided deferred tax

Notes to the financial statements (continued)

31 March 2011

14 Employees

Number of employees

The average monthly number of employees during the year (including executive directors) was

	2011 Number	2010 Number
Operation	100	103
Administration	53	51
	<u>153</u>	<u>154</u>

Employment costs

	2011 £	2010 £
Salaries	5,052,027	4,980,195
Social security costs	563,710	546,357
Other pension costs	550,862	551,900
	<u>6,166,599</u>	<u>6,078,452</u>

Directors

	2011 £	2010 £
Directors' emoluments (including pension contributions)	<u>380,405</u>	<u>368,437</u>

Emoluments include

	2011 £	2010 £
Highest paid director – remuneration and benefits	<u>185,881</u>	<u>179,070</u>

Directors Pensions

	2011 Number	2010 Number
Directors whose retirement benefits are accrued under defined contribution schemes	1	1
Directors whose retirement benefits are accrued under defined benefits schemes	1	1

Notes to the financial statements (continued)

31 March 2011

15 Pensions

The Company operates a multi-employer defined benefit scheme. The basis on which the net pension liability is set out in the statement of accounting policies.

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 March 2011 by a qualified actuary.

The Company is currently contributing to the Scheme at a rate of 27.5% of pensionable salaries. For the year ended 31 March 2010, the Company contributed to the Scheme at a rate of 27.5% of pensionable salaries.

The major assumptions used by the actuary were (in nominal terms):

	31 March 2011	31 March 2010
	% p a	% p a
Price increases	2.8	3.8
Salary increases	3.2	4.8
Pension increases	2.8	3.8
Discount rate	5.5	5.5

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

	1 April 2011	Expected return at 1 April 2010
	% p a	% p a
Equities	7.5	7.8
Bonds	4.9	5.0
Property	5.5	5.8
Cash	4.6	4.8

Life expectancy from age 65 (years)

Retiring today	Males	22.1
	Females	25.1
Retiring in 20 years	Males	23.2
	Females	26.2

The post retirement mortality tables adopted were the PA92 and PMA92 series projected to calendar year 2027 for current pensioners and calendar year 2046 for non-pensioners. Age ratings are applied based on membership profile.

Notes to the financial statements (continued)

31 March 2011

15 Pensions (continued)

Net pension liability as at	31 March 2011	31 March 2010
	£'000	£'000
Present value of funded obligation	2,430	2,909
Fair value of scheme assets (brd value)	(2,553)	(3,953)
Net Liability	(123)	(1,044)

The amounts recognised in the profit and loss statements as at	31 March 2011	31 March 2010
	£'000	£'000
Current service cost	65	38
Past service cost	29	-
Losses/(gains) on curtailments and settlements	-	-
Total operating charge	94	38
Interest on obligation	204	163
Expected return on scheme assets	(204)	(137)
Total charged to current year profit and loss account	94	64

Actual return on scheme assets	258	708
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Reconciliation of opening and closed balances of the present value of the defined benefit obligation	31 March 2011	31 March 2010
	£'000	£'000
Opening defined benefit obligation	3953	2,348
Service cost	65	38
Interest cost	204	163
Actuarial losses/(gains)	(1,303)	1,411
Losses/(gains) on curtailments	-	-
Estimated benefits paid (net of transfers in)	(85)	(26)
Past service cost	29	-
*Past service gain	(330)	-
Contributions by scheme participants	20	19
Closing defined benefit obligation	2,553	3,953

Notes to the financial statements (continued)

31 March 2011

15 Pensions (continued)

Reconciliation of opening and closed balances of the fair value of scheme assets	31 March 2011	31 March 2010
	£'000	£'000
Opening fair value of scheme assets	2,909	2,136
Change in asset disclosure method	-	-
Expected return on scheme assets	204	137
Actuarial gains/(losses)	(692)	571
Contributions by employer	74	72
Contributions by scheme participants	20	19
Estimated benefits paid (net of transfers in)	(85)	(26)
Fair value of scheme assets at end of period	2,430	2,909

Statement of total recognised gains and losses (STRGL)	31 March 2011	31 March 2010
	£'000	£'000
Actual return less expected return on pension scheme assets	54	571
Experience gains and losses arising on the scheme liabilities	-	-
*Past service gain	330	-
Change in assumptions underlying present value of the scheme	557	(1,411)
Actuarial gain/(loss) in pension scheme and STRGL	941	(840)

Reconciliation of opening and closing surplus	31 March 2011	31 March 2010
	£'000	£'000
Deficit in scheme at beginning of year	(1,044)	(212)
Movement in year		
Current service cost	(65)	(38)
Employer contributions	74	72
Past service costs	(29)	-
Other finance income	-	(26)
*Past service gain	330	-
Actuarial (loss)/gain	611	(840)
Deficit in scheme at end of year	(123)	(1,044)

Notes to the financial statements (continued)

31 March 2011

15 Pensions (continued)

Amounts for the current and previous four periods

	Year to March 2011	Year to March 2010
	£'000	£'000
Defined benefit obligation	(2,553)	(3,953)
Surplus/(deficit)	(123)	(1,044)
Experience adjustments on scheme liabilities	582	-
Experience adjustments on scheme assets	(692)	571

	Year to March 2009	Year to March 2008
	£'000	£'000
Defined benefit obligation	(2,348)	(2,327)
Surplus/(deficit)	(212)	382
Experience adjustments on scheme liabilities	-	282
Experience adjustments on scheme assets	(860)	(72)

	Year to March 2007
	£'000
Defined benefit obligation	(2,770)
Surplus/(deficit)	(351)
Experience adjustments on scheme liabilities	(1)
Experience adjustments on scheme assets	16

For consistency the assets are shown at bid price (estimated where necessary) for the periods prior to 31 March 2011

Projected amount to be charged to operating profit for year to 31 March 2011	Year to 31 March 2011 £'000
Projected service cost	55
Interest cost	141
Return on assets	(169)
Total	27
Estimated employer contributions for the year to 31 March 2012	114

The past service gain of £330,000 has arisen as a result of the government's announcement on 22 June 2010 that future pension increases would be linked to CPI rather than RPI. Exemplas Holdings Ltd has recognised this amount in the Statement of Total Recognised Gains and Losses as management consider the resulting gain a change in actuarial assumption. There has been no indication to staff in the scheme that the inflation uplift to their pensions is different to the standard terms and conditions of the HCC scheme.

Notes to the financial statements (continued)

31 March 2011

16 Parent undertaking

At 31 March 2011, the companies' shareholders were as follows

The University of Hertfordshire (UH)	98%
The Hertfordshire Chamber of Commerce and Industry (HCCI)	1%
Hertfordshire County Council (HCC)	1%

During the year operating and admin costs of £906,128 (2010 £299,288) were charged to the company by the University of Hertfordshire

During the year operating costs and admin costs of £4,136 (2010 £nil) were charged to the company by Hertfordshire County Council

During the year operating and admin costs of £5,762 (2010 £nil) were charged to the company by the Hertfordshire Chamber of Commerce and Industry

During the year income of £2,077,039 (2010 £661,632) was received from the University of Hertfordshire

During the year income of £631,421 (2010 £nil) was received from Hertfordshire County Council

During the year income of £5,010 (2010 £nil) was received from Hertfordshire Chamber of Commerce and Industry

Net Debtor Balances at year end	2011 £	2010 £
University of Hertfordshire	844,494	287,380
Hertfordshire Chamber of Commerce	437	-
Hertfordshire Country Council	-	-
	-	-
Net Creditor Balances at Year End		
University of Hertfordshire	-	-
Hertfordshire Chamber of Commerce	-	-
Hertfordshire Country Council	-	-

Notes to the financial statements (continued)

31 March 2011

The accounts of Exemplas Holdings Limited are consolidated with the financial statements of the University of Hertfordshire. The financial statements of the University of Hertfordshire can be obtained from The University of Hertfordshire, College Lane, Hatfield Hertfordshire AL10 9AB

17 Financial commitments

At 31 March 2011, the group had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Land and buildings		
Between one and five years	<u>295,000</u>	<u>295,000</u>

18 Related Party Disclosures

The company has relied upon the exemption conferred by paragraph 3c of FRS 8 and accordingly related party transactions with wholly owned group companies are not disclosed