
Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31 July 2013

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Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Company Information

Directors	J Stokes A Thomas S Bowness (resigned 7 May 2013) L Brady (resigned 7 May 2013) G M Dodson (resigned 22 January 2013) J Forrest (appointed 11 September 2012 & resigned 7 May 2013) R H Guy OBE (resigned 3 September 2013) J M Hyde (resigned 7 May 2013) Cllr D Martin (resigned 7 May 2013) Cllr M A Morris (resigned 11 September 2012) Cllr S Murphy (resigned 7 May 2013) Cllr S A Quinn (resigned 7 May 2013) E A L Smith (resigned 7 May 2013) J D Stonehouse (resigned 7 May 2013) P Boshell (appointed 6 November 2012 & resigned 7 May 2013) W D Berry (resigned 7 May 2013)
Company secretary	G Fishley
Registered number	03005819
Registered office	Lee House 90 Great Bridgewater Street Manchester M1 5JW
Independent auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
Bankers	The Co-operative Bank plc 1 Balloon Street Manchester M60 4EP

Better Choices Limited T/A Careers Solutions
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Better Choices Limited T/A Careers Solutions
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Directors' Report
For the year ended 31 July 2013

The directors present their report and the financial statements for the year ended 31 July 2013

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. 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.

Principal activities

The Connexions Service is required to provide Universal Careers Advice and Targeted Support to track and provide for young people in the 13 to 19 age range (13 to 24 with learning difficulties) on a range of issues including careers information and guidance, health, homelessness and teenage pregnancy. The service also works closely with employers and provides a job and work based training placing service to young people from a number of high quality Connexions Centres. The main target for the service is to reduce the numbers of young people who are not in education, employment or training (NEET). The service works in partnership with a range of statutory and voluntary partners, the activity of which is co-ordinated through Local Connexions Partnerships.

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Directors' Report
For the year ended 31 July 2013

Business review

The company has continued to perform strongly, despite the impact of further reductions in budgets from all four of the Local Authority areas in Greater Manchester in which it operated during the year. The most significant national measure, the number of young people "not in employment, education or training" (NEET) figure, has continued to fall, or at least be maintained, in all these areas against a comparable point in the previous year. The same has applied to the "unknown" figure, which reflects the numbers within the cohorts not in touch with services. Contractually, the services in all areas have continued to outperform their local targets.

Contracts have now been discontinued in Salford and Rochdale, whilst the company took a decision to withdraw from Tameside as a result of the scale of the proposed further cuts. The company continues to deliver a Connexions service in Manchester. The company also continues to deliver a variety of management information and labour market services across all areas of Greater Manchester and to provide a commercial careers advice offer to schools following the shift in statutory responsibilities for the provision of universal careers information, advice and guidance from Local Authorities to schools in September 2012.

Results

The surplus for the year, after taxation, amounted to £442,021 (2012 - £1,405,453)

Directors

The directors who served during the year were

J Stokes
A Thomas
S Bowness (resigned 7 May 2013)
L Brady (resigned 7 May 2013)
G M Dodson (resigned 22 January 2013)
J Forrest (appointed 11 September 2012 & resigned 7 May 2013)
R H Guy OBE (resigned 3 September 2013)
J M Hyde (resigned 7 May 2013)
Cllr D Martin (resigned 7 May 2013)
Cllr M A Morris (resigned 11 September 2012)
Cllr S Murphy (resigned 7 May 2013)
Cllr S A Quinn (resigned 7 May 2013)
E A L Smith (resigned 7 May 2013)
J D Stonehouse (resigned 7 May 2013)
P Boshell (appointed 6 November 2012 & resigned 7 May 2013)
W D Berry (resigned 7 May 2013)

Employee Involvement

It is the Company's policy to provide employees with relevant information on a regular basis and to seek their views on the matters that concern them. The Company's aims, objectives and financial performance are communicated through management briefings and other, less formal communications. The Company's policy is to provide, wherever possible, employment opportunities for disabled people to encourage and assist their recruitment, training, career development and promotion and to retain employees who become disabled. The Company also operates an equal opportunities policy. The Company demonstrates its commitment to the delivery of high quality services through well trained staff by maintenance of its Investors in People award.

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Directors' Report
For the year ended 31 July 2013

Principal risks and uncertainties

The changes in statutory responsibility noted above, and the very substantial reductions in Local Authority budgets, have again been the backdrop to the year reported upon. It is clear that further budget reductions are likely and the national policy context appears to have settled with a tight focus on targeted work with vulnerable groups in terms of Local Authority responsibility, with the provision of universal guidance for schools left to the marketplace. Further service redesign has taken place to improve performance in the remaining core services, in order to achieve higher levels of vacancy taking and placing of young people into opportunities.

Going Concern

The Directors have a reasonable expectation, after making due and careful enquiries, that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in the accounts. In forming this opinion, the Board has reviewed the Company's contractual position, budget, cash flow and projections for 2013-14.

Future developments

The changes in terms of statutory responsibilities, and consequent changes in the markets in which the company operates, have already been noted above. The traded service to schools is an obvious response, as is the service redesign to increase the focus on tackling the phenomenon of youth unemployment, which now has considerable political resonance. The new responsibilities for Local Authorities in relation to the new national policy of Raising the Participation Age, is also a key focus going forward. Aligning the services to changing Local Authority requirements and in the context of new national initiatives, such as the Youth Contract, will continue to be a key task for the year ahead.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director 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 auditors are aware of that information.

Better Choices Limited T/A Careers Solutions
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Directors' Report
For the year ended 31 July 2013

Auditors

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



A Thomas
Director

Date 13/3/14

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Independent Auditors' Report to the Members of Better Choices Limited T/A Careers Solutions

We have audited the financial statements of Better Choices Limited T/A Careers Solutions for the year ended 31 July 2013, set out on pages 7 to 20. 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 Auditors' 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, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 July 2013 and of its surplus 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 matters 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.

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Independent Auditors' Report to the Members of Better Choices Limited T/A Careers Solutions

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Hurst & Company Accountants LLP

Helen Besant Roberts (Senior statutory auditor)
for and on behalf of

Hurst & Company Accountants LLP

Chartered Accountants &

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

Date *18 March 2014*

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Income and Expenditure Account
For the year ended 31 July 2013

	Note	2013 £	2012 £
Income	1,2	7,818,394	9,464,055
Cost of sales		(7,352,534)	(8,698,586)
Gross surplus		465,860	765,469
Administrative expenses		(97,932)	12,093
Operating surplus	3	367,928	777,562
Exceptional items			
Other exceptional items	9	-	216,891
Surplus on ordinary activities before interest		367,928	994,453
Interest receivable and similar income		2,926	-
Other finance income	8	72,000	411,000
Surplus on ordinary activities before taxation		442,854	1,405,453
Tax on surplus on ordinary activities	10	(833)	-
Surplus for the financial year	14	442,021	1,405,453

All amounts relate to continuing operations

The notes on pages 10 to 20 form part of these financial statements

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Statement of Total Recognised Gains and Losses
For the year ended 31 July 2013

	Note	2013 £	2012 £
Surplus for the financial year		442,021	<i>1,405,453</i>
Actuarial gain/(loss) related to pension scheme	16	3,079,000	<i>(4,795,000)</i>
Pension surplus not recognised	16	(3,503,000)	-
Total recognised gains and losses relating to the year		18,021	<i>(3,389,547)</i>

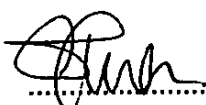
The notes on pages 10 to 20 form part of these financial statements

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)
Registered number: 03005819

Balance Sheet
As at 31 July 2013

	Note	£	2013 £	£	2012 £
Current assets					
Debtors	11	3,352,343		2,740,287	
Cash at bank and in hand		54,508		2,039,164	
		<u>3,406,851</u>		<u>4,779,451</u>	
Creditors: amounts falling due within one year	12	<u>(1,430,721)</u>		<u>(3,118,342)</u>	
Net current assets			<u>1,976,130</u>		<u>1,661,109</u>
Total assets less current liabilities			<u>1,976,130</u>		<u>1,661,109</u>
Defined benefit pension scheme asset	16		-		297,000
Net assets including pension scheme assets/(liabilities)			<u>1,976,130</u>		<u>1,958,109</u>
Reserves					
Income and expenditure account	14		<u>1,976,130</u>		<u>1,958,109</u>
Members' funds	15		<u>1,976,130</u>		<u>1,958,109</u>

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



A Thomas
 Director

Date 13/3/14

The notes on pages 10 to 20 form part of these financial statements

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 July 2013

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 Income

The majority of income represents amounts of grant related income earned in respect of the contracts held with the Local Authorities of Manchester, Salford, Rochdale and Tameside for the provision of services to young people

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	-	3 years straight line
Computer equipment	-	3 years straight line

1.5 Operating leases

Rentals under operating leases are charged to the Income and expenditure account on a straight line basis over the lease term

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

1. Accounting Policies (continued)

1.7 Pensions

The company operates a defined contributions pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

Some employees of the company participate in the Greater Manchester Pension Fund, part of the Local Government Pension Scheme. This is a defined benefit pension scheme.

In accordance with UK accounting standards, the company has adopted FRS17 'Retirement Benefits'

The current service costs are charged to operating expenditure, and net returns on assets are charged to net interest receivable in the income and expenditure account. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using an AA corporate bond rate. Pension scheme assets are valued at market value at the balance sheet date. Where there is a pension scheme deficit, this is recognised in full on the balance sheet date.

1.8 Related party transactions

The company has taken advantage of the exemption available under FRS 8 from disclosing in its accounts transactions with its parent undertaking and other group companies.

2. Income

All income arose within the United Kingdom

3. Operating surplus

The operating surplus is stated after charging

	2013 £	2012 £
Operating lease rentals		
- land and buildings	152,932	193,907

4. Auditors' remuneration

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,000	7,000
Fees payable to the company's auditor and its associates in respect of		
Taxation compliance services	1,000	1,700
All other non-audit services not included above	2,200	2,000

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	4,053,561	5,338,252
Social security costs	292,269	388,366
Other pension costs (Note 16)	505,814	546,265
	<u>4,851,644</u>	<u>6,272,883</u>

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

	2013 No.	2012 No.
Operational, delivery and administrative staff	<u>166</u>	<u>230</u>

6. Directors' remuneration

	2013 £	2012 £
Remuneration	<u>119,733</u>	<u>6,375</u>

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined benefit pension schemes

7. Administrative expenses

Administrative expenses reflect the cost of services provided by the holding company, Economic Solutions Limited

8. Other finance income

	2013 £	2012 £
Expected return on pension scheme assets	1,448,000	1,873,000
Interest on pension scheme liabilities	(1,376,000)	(1,462,000)
	<u>72,000</u>	<u>411,000</u>

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

9. Exceptional items

	2013 £	2012 £
Provision for pension costs	-	216,891

In July 2011 the company became aware that an employee would be retiring on the grounds of ill health. A provision was included in the accounts in 2011 in respect of additional pension scheme capital costs that would arise in respect of this employee. The actual costs in relation to the ill health retirement were lower than originally indicated and, as such, the additional amount provided for was released, resulting in an exceptional credit in 2012.

10. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on surplus/(deficit) for the year	585	-
Adjustments in respect of prior periods	248	-
Tax on surplus on ordinary activities	833	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below.

	2013 £	2012 £
Surplus on ordinary activities before tax	442,854	1,405,453
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	106,285	365,418
Effects of:		
Exempt activities	(105,700)	(365,418)
Adjustments to tax charge in respect of prior periods	248	-
Current tax charge for the year (see note above)	833	-

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

11. Debtors

	2013	2012
	£	£
Trade debtors	124,686	1,823,887
Amounts owed by group undertakings	3,098,938	676,091
Amounts owed by joint ventures	-	3,047
Other debtors	1,286	5,804
Prepayments and accrued income	127,433	231,458
	<u>3,352,343</u>	<u>2,740,287</u>

12. Creditors:
Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	56,129	79,784
Amounts owed to group undertakings	497,765	115,676
Amounts owed to joint ventures	-	1,871
Corporation tax	585	-
Other taxation and social security	152,446	502,068
Other creditors	42,246	87,993
Accruals and deferred income	681,550	2,330,950
	<u>1,430,721</u>	<u>3,118,342</u>

13. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

14. Reserves

	£
At 1 August 2012	1,958,109
Surplus for the financial year	442,021
Pension reserve movement	(424,000)
	<u>1,976,130</u>
At 31 July 2013	<u>1,976,130</u>

The closing balance on the Income and expenditure account includes a £NIL (2012 - £297,000) credit, stated after deferred taxation of £NIL (2012 - £NIL), in respect of pension scheme liabilities of the company pension scheme

The company is a not for profit organisation. Consistent with the Economic Solutions Group policy for minimum reserve levels, financial strategy is to establish a cessation reserve should the need to wind the company up ever arise. This is not envisaged. However, the company's minimum reserve target will be reviewed annually as part of the business planning process.

15. Reconciliation of movement in members' funds

	2013 £	2012 £
Opening members' funds	1,958,109	5,347,656
Surplus for the financial year	442,021	1,405,453
Other recognised gains and losses during the year	(424,000)	(4,795,000)
	<u>1,976,130</u>	<u>1,958,109</u>
Closing members' funds	<u>1,976,130</u>	<u>1,958,109</u>

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £38,814 (2012 -£165,735). Contributions totalling £35,540 (2012 £82,416) were payable to the fund at the balance sheet date and are included in creditors.

Some employees of the company participate in the Greater Manchester Pension Fund, part of the Local Government Pension Scheme. The scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an independent investment manager.

Pension contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. A full actuarial valuation was carried out by a qualified actuary as at 31 March 2010.

The amounts recognised in the Balance sheet are as follows:

	2013	2012
	£	£
Present value of funded obligations	(32,637,000)	(30,849,000)
Fair value of scheme assets	35,818,000	31,146,000
Surplus in scheme	3,181,000	297,000
Surplus not recognised	(3,181,000)	-
Net asset	-	297,000

In revising the actuarial assumptions (see below) the scheme was valued as an asset of £3,181,000 in the company's balance sheet. However, during the year the company, which had previously operated the Connexions service in 4 of the Local Authority areas of Greater Manchester, lost contracts relating to Salford and Rochdale, and elected to not accept a reduced contract in Tameside. The service transferred to alternative delivery agents and the staff underwent a TUPE transfer to the new agents, all of whom operate defined benefit pension schemes. Two of the new agents are part of the Greater Manchester Pension Fund whilst the other is based in Merseyside and is part of the Merseyside Pension Fund. The transfer of assets and liabilities has taken longer than anticipated in the case of staff transferring to the Merseyside agent, and as such it has not been possible for the scheme actuary to accurately identify individual assets and liabilities relating to the transferring staff for this report and accounts.

In addition, paragraph 37 of FRS 17 states that an asset should only be recognised to the extent that the company is able to recover a surplus.

As a result, the asset has not been recognised within the accounts.

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Notes to the Financial Statements
For the year ended 31 July 2013

16. Pension commitments (continued)

The amounts recognised in income or expenditure are as follows

	2013 £	2012 £
Current service cost	(467,000)	(494,000)
Interest on obligation	(1,376,000)	(1,462,000)
Expected return on scheme assets	1,448,000	1,873,000
Past service cost	-	(41,000)
Gains on curtailments and settlements	-	(177,000)
Total	(395,000)	(301,000)
 Actual return on scheme assets	 -	 794,000

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

	2013 £	2012 £
Opening defined benefit obligation	30,849,000	25,608,000
Current service cost	467,000	494,000
Interest cost	1,376,000	1,462,000
Contributions by scheme participants	215,000	285,000
Actuarial Losses	1,685,000	3,711,000
Past service costs	-	41,000
Losses on curtailments	119,000	177,000
Liabilities extinguished on settlements	(1,231,000)	-
Benefits paid	(843,000)	(929,000)
Closing defined benefit obligation	32,637,000	30,849,000

Better Choices Limited T/A Careers Solutions
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Notes to the Financial Statements
For the year ended 31 July 2013

16. Pension commitments (continued)

Changes in the fair value of scheme assets were as follows

	2013 £	2012 £
Opening fair value of scheme assets	31,146,000	30,083,000
Expected return on assets	1,448,000	1,873,000
Actuarial gains	4,764,000	(1,084,000)
Assets distributed on settlements	(1,434,000)	-
Contributions by employer	522,000	918,000
Contributions by scheme participants	215,000	285,000
Benefits paid	(843,000)	(929,000)
	<u>35,818,000</u>	<u>31,146,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £NIL (2012 - £NIL)

The company expects to contribute £NIL to its Defined benefit pension scheme in 2014

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

	2013	2012
Equities	72.00 %	66.00 %
Bonds	18.00 %	21.00 %
Property	6.00 %	5.00 %
Cash	4.00 %	8.00 %

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

	2013	2012
Discount rate at 31 July	4.80 %	5.00 %
Expected return on scheme assets at 31 July	6.00 %	5.00 %
Future salary increases	2.00 %	2.00 %
Future pension increases	3.00 %	2.00 %

An annual calculation of the scheme value and associated assets and liabilities is carried out by the Local Government Pension Scheme actuaries. Historically the actuary has recommended a generic set of assumptions for all participants, and whilst this is deemed valid for Local Authorities and other large public bodies within the scheme, it is acknowledged that it may not be relevant for smaller employers who have staff in the scheme.

The assumptions in the current year are those adopted by the employer rather than the generic assumptions used by the actuary for the entire Local Government Pension Scheme (LGPS)

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Notes to the Financial Statements
For the year ended 31 July 2013

16. Pension commitments (continued)

The following changes have been made to the actuarial assumptions

- Salary Increase rate – The actuarial assumption of an increase of 4.6% is too high for the company with a proposal of 2% currently being considered by the remuneration committee. The figure of 2% has therefore been used for the calculation.

- Discount rate – The actuarial assumption was 4.6%. This is the average rate of return from high quality AA rated bonds. In looking at the market the directors are satisfied that a rate of 4.8% is available in the market and they have agreed to use this for the overall calculation.

Amounts for the current and previous three periods are as follows

	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(32,637,000)	(30,849,000)	(25,608,000)	(25,435,000)
Scheme assets	35,818,000	31,146,000	30,083,000	25,714,000
Surplus	<u>3,181,000</u>	<u>297,000</u>	<u>4,475,000</u>	<u>279,000</u>
Experience adjustments on scheme liabilities	(1,685,000)	(3,711,000)	1,835,000	(4,102,000)
Experience adjustments on scheme assets	<u>4,764,000</u>	<u>(1,084,000)</u>	<u>1,784,000</u>	<u>1,087,000</u>

Mortality

Life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners. Based on these assumptions, average future life expectancies at 65 are summarised below

	Males	Females
Current pensioners	20.1 years	22.9 years
Future pensioners	22.5 years	25.0 years

17. Operating lease commitments

At 31 July 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	2012 £
Expiry date:		
Within 1 year	19,392	-
Between 2 and 5 years	134,540	173,907
After more than 5 years	<u>21,000</u>	<u>20,000</u>

Better Choices Limited T/A Careers Solutions
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 July 2013

18. Related party transactions

The following transactions have taken place between the company and other related parties in the ordinary course of business

	2013 Income	2013 Expenditure £	2012 Income/ (Expenditure) £	2013 Balance £	2012 Balance £
Manchester City Council	3,237,629	(115,403)	4,235,231	(60,117)	816,676
Tameside MBC	682,615	-	1,703,469	29,424	(511)
Rochdale MBC	617,383	-	1,486,273	(5,082)	284,418
City of Salford Council	630,000	(54,320)	1,420,356	-	237,137

Manchester City Council, Tameside MBC, Rochdale MBC and Salford City Council all provide Connexions project funding, and some charge rent and rates to the company

19. Ultimate parent undertaking and controlling party

The company's immediate parent company, ultimate parent undertaking and controlling party is Economic Solutions Limited, incorporated in England and Wales

The results of Better Choices Limited are included in the Consolidated Financial Statements of Economic Solutions Limited, which can be obtained from their registered office at 90 Great Bridgewater Street, Manchester, M1 5JW