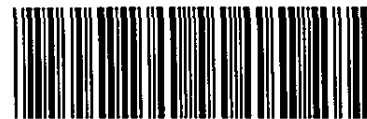


REGISTERED COMPANY NUMBER 04386501 (England and Wales)
REGISTERED CHARITY NUMBER 1093047

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010
FOR
BXL SERVICES**

FRIDAY



A21 *A0CWLQ0T* 225
17/12/2010
COMPANIES HOUSE

Howard Worth
Chartered Accountants and
Registered Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

BXL SERVICES
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FOR THE YEAR ENDED 31ST MARCH 2010

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BXL SERVICES

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2010

This financial year was our first full trading period following our transition from Connexions Birmingham and Solihull during the year 2008/9, and our results were in line with our expectations, providing a firm basis for the next financial year

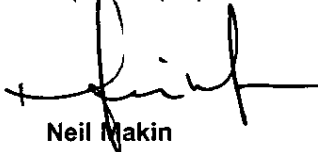
The company has undergone further changes this year to reflect our renewed purpose of helping people of all ages 'get ready for work'. This has included the cessation of some contracts, amending our articles to allow BXL to trade outside of the Birmingham and Solihull area, and a lot of work by the executive in redefining our offers to our key customers

We have also restructured our board membership to ensure our trustees experience are more directly relevant to the new business of BXL, and are in the process of creating a new Advisory Council for BXL to help guide us strategically and connect more closely with our Stakeholders

Looking to the future, BXL will continue to focus on our core markets of Educators, Business linkage and people development. We have new web resources planned for launch this year, as well as more frequent communications with our key customer groups

We are seeking to leverage our strong financial base to support other similar organisations in our area to succeed further, and are considering potential acquisitions and mergers as they arise on their own merits

I remain grateful for the support of all of our board members for their support. On behalf of the board, I'd like to thank our employees for their dedication and considerable efforts during yet another year of change, and to all our business partners for their part in helping BXL continue to succeed and remain relevant to such an important purpose and agenda



Neil Makin

BXL SERVICES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2010

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04386501 (England and Wales)

Registered Charity number
1093047

Registered office
55 Colmore Row
Birmingham
West Midlands
B3 2AS

Trustees

D N Makin	
T Howell	- resigned 23/4/2009
C Chater	- resigned 23/4/2009
M A Green	
K I Meeson	
S Hyde	- resigned 23/4/2009
A H Mitchell	- resigned 9/10/2009
L R Jenks	- resigned 14/1/2010
M Rogers	
P Brammall	
R E Martin	- resigned 28/4/2010
B Smith	
R Jeans	
D J Waller	- appointed 23/4/2009
	- resigned 14/1/2010
P Stone	- appointed 3/7/2009

Company Secretary
R Finding

Auditors

Howard Worth
Chartered Accountants and
Registered Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

All potential Trustees are interviewed and meet with members of the Senior Management Team before their nomination is formally taken to the Board.

BXL SERVICES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

All trustees receive a 'Guide to Board Members of BXL', which includes the following -

- Introduction, including memorandum and articles of association, company structure and Board Members
- Principles of Corporate Governance
- Corporate Roles and Responsibilities
- Individual Roles and Responsibilities
- Financial Reporting and Internal Controls
- Standards of Behaviour
- Responsibilities of Chanty Trustees

Organisational structure

The company comprises of an independent chair and a Board of Trustees, who represent a wide range of organisations within Birmingham and Solihull. The Board is supported by a Senior Management Team, who are held accountable by the Board for the delivery of service. The Senior Management Team reports to the Board at least four times a year. The Board meets at least four times a year and reviews the performance of the organisation and compares it to national, local and contracted targets.

The company structure also incorporates the following sub committees -

The Audit sub committee exist to advise the Company on its statutory responsibilities relating to the company audit and its auditors. Responsibility for ensuring that a formal risk management process is in place and to review the internal audit processes and reports.

The Finance, Staffing & General Purposes Committee remit is to cover HR issues, project reviews and to cover an operational financial review.

Related parties

The company has a close relationship with Birmingham City Council, Solihull Metropolitan Borough Council and the Learning and Skills Council. A summary of transactions with these and other related parties is set out in note 16 of the financial statements.

Risk management

The trustees have a duty to identify and review the risks to which the chanty is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include -

- a strategic plan and an annual budget approved by the directors,
- regular consideration by the directors of financial results, variance from budgets, non financial performance indicators and benchmarking reviews,
- delegation of authority and segregation of duties,
- identification and management of risks

A formal risk register is being drawn up.

BXL SERVICES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective of the company to improve the prospects of employment for individuals in the Birmingham and Solihull district have been addressed by the provision of advice and guidance in relation to careers, training and personal development. The clear mission is to help people become "Ready for Work"

The company continues to seek new business and to achieve contractual targets, whilst amending our business portfolio to ensure that the company remains central to the delivery of services that support our revised purpose

Our role is to work with employers, education and government to increase levels of employability and life skills. Employers are often frustrated at the level of "work readiness" they see among candidates and can find the education system and government initiatives hard to navigate

Some young people need greater help in preparing for work once they leave full time education, need more personalised approaches to equipping them with "soft" skills as well as relevant qualifications

The activities of the company are to prepare people to become Ready for Work. Through a diverse range of activities the company increases levels of employability and engages employers with young people and the education system

Our services include the Education Business Partnership service, our Adult Careers advice service and the Elev8 NEET (not in education, employment or training) project that work with employers, educational partners and the Government to increase employability and life skills

BXL's activities are funded through a combination of Government initiatives, as well as services which are sold directly to businesses and educational establishments

In setting our objectives and planning our activities the Trustees have given due regard to the Charity Commission's general guidance on public benefit

Education Business Partnership

The Education business Partnership provides an advisory service that brings schools, colleges, businesses and young people together through work related activities and events. EBP supports the delivery of the curriculum, including Diplomas, to help prepare young people for working life

Elev8

A £2 million project funded from ESF (European Social fund) through the Learning & Skills Council from October 2008 to December 2010. A consortium of partners led by BXL will deliver the Elev8 project across Birmingham and Solihull. The project aims to engage 530 16-18 year olds and learners aged up to 25 with learning difficulties and disabilities in the NEET group into learning and progress them into sustainable education, employment and training

Nextstep

Nextstep Information and Advice on learning and work is a service for adults aged 20 and over. Advice may involve using decision-making tools, completing interest questionnaires, interpretation of labour market information or advice on job search methods (eg CV design). This contract ended 1st June 2010

Improving Chances "Family" Project

Improving Chances Project works with individuals and families in the South West of the City, and aims to reduce multi-generational unemployment, by raising the skills and aspirations of disadvantaged young people and their parents or guardians (NB This is in future tense, yet a report on past year?) This innovative project will break the cycle of low expectations and raise aspirations by delivering a menu of accredited and non-accredited training opportunities that can be tailored to each family's needs

BXL SERVICES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2010

OBJECTIVES AND ACTIVITIES

Objectives and aims

We will work alongside Connexions, Community Centres, Children Centres and local schools. Working with these agencies, we will identify young people and adults who are at risk of becoming NEET or who are currently unemployed. We will address their individual issues and encourage them to become role-models for their family. Once identified as a family with a history of unemployment, other members will be invited to participate in the programme. Families will be encouraged to work together and a "family action plan" will be worked on together with professional support.

Employment & Opportunities

This front line service underpins the work of those providing advice and guidance. It provides a comprehensive range of opportunities that will assist young people in moving forward in life.

The range encompasses personal development and voluntary work, entry level jobs, Apprenticeships and career development opportunities, plus part-time and temporary work.

Recognised as the "one stop shop" to bring employers and young people together, the team works with both public and private sector, employers from blue chip organisations and household names to small to medium sized enterprises and micro businesses.

Overall, we are convinced that the future for BXL will be secured through

- Becoming an aggregator for other third sector organisations for funding bids and mutual support/learning/training
- Growing through acquiring or merging with other suitable third sector or private organisations that are a good capability or customer fit to our own plans
- Developing our existing services to be a lower cost of delivery, and developing them to become more relevant
- Developing new services that find niches in existing mainstream provision, for example the intergenerational NEET offering pilot
- Supporting all of this work through use of frugal PR work to position BXL with our stakeholders and partners as a thought leader and what we stand for, as well as a frequent but relevant marketing output to our customer and stakeholder bases

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year we received three very important accreditations

Our Nextstep team had their Matrix standard renewed for a second time and our Elev8 NEET project was also awarded the accreditation. Matrix Standard is the national quality standard for any organisation that delivers information, advice and/or guidance on learning and work.

Our Education Business Partnership also achieved AEBE accreditation. This new award is the Education Business Excellence Standard approved by the DCSF. This award recognises the continued efforts and high standards that we have achieved and our ongoing work connecting education and the world of work for the benefit of young people in the area. BXL EBP is one of the first 25 of over 100 Education Business Partnership Organisations in the UK to be accredited with this award. (By April 2011 only EBPs with this accreditation will be eligible to continue to be commissioned)

In addition the company was successful in securing funding from Be Birmingham for reducing multi-generational unemployment by raising the skills and aspirations of disadvantaged young people and their parents or guardians.

The company continued to meet the targets set by the various funding agencies.

BXL SERVICES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2010

FINANCIAL REVIEW

Reserves policy

The Directors have reviewed the reserves of the Charity. This review looked at the nature of the income and expenditure streams, the need to ensure that the variable income streams matched with fixed commitments and the nature of the reserves.

In view of the changing environment within which the company now operates the Board feel that the reserves are at a level to ensure that the company has the required funds to continue to fulfil its obligations.

Funds in deficit

Following the full adoption of FRS17, the restricted funds have been put into a deficit position. In anticipation of this, the company had formulated a strategy to bring the deficit back into a surplus position. Measures in place to assist in the recovery of the pension deficit include -

- Recognising the statutory nature of the Local Government Pension Scheme (LGPS), so that deficits are recovered over time. At the last valuation, the recovery period was 25 years. As the scheme is now closed to new entrants the recovery period has been reduced to 12 years.
- Phasing increases in contributions over six years.

Recognising such financial "improvements" as a reduction in ill-health retirements and changes to the LGPS, such as retirement at age 65 and no early retirements before 55.

Principal funding sources

Income generation

The main funding streams were received from the Local Authorities, schools to enhance the education and business links between educational institutions and employers and from the Learning and Skills Council for delivery of a service to engage with 16-18 year olds and learners up to 25 who are in the NEET group and progress them into education, employment and training.

Resources expended

Staff costs are the most significant part of the Charity's activities.

Regular reviews on the best use of the Charity's resources takes place. This ensures that BXL is making the most efficient use of its resources.

EMPLOYEES

It is our policy to

- Employ disabled persons in the job suited to their aptitudes, abilities and qualifications whenever practicable,
- Endeavour to continue the employment of those who become disabled whilst in our employment either by restructuring the employee's own job, retaining and/or rehabilitation if necessary,
- Provide disabled employees with the same opportunities for promotion, career development and training as those afforded to other employees.
- BXL Services is an equal opportunities employer with an elected Staff Council. BXL works with the disability advisory section of Job Centre Plus Access to Work and has the Positive about Disabled People "✓ ✓" symbol.

BXL SERVICES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of BXL Services for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

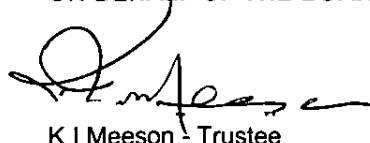
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



K I Meeson - Trustee

Date 7th July 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BXL SERVICES

We have audited the financial statements of BXL Services for the year ended 31st March 2010 on pages ten to nineteen. The financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page seven.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Report of the Trustees is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BXL SERVICES**

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the Trustees is consistent with the financial statements



C.J. Swallow BSc FCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Registered Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date 7th July 2010

BXL SERVICES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2010

	Note	Unrestricted funds £	Restricted funds £	31 3 10 Total funds £	31 3 09 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	3,913	-	3,913	71,982
Incoming resources from charitable activities	3				
Information, advice and guidance to young people and adults		-	2,802,708	2,802,708	9,464,389
Total incoming resources		3,913	2,802,708	2,806,621	9,536,371
RESOURCES EXPENDED					
Charitable activities	4				
Information, advice and guidance to young people and adults		-	2,968,150	2,968,150	(5,992,825)
Governance costs	6	-	123,725	123,725	1,148,733
Total resources expended		-	3,091,875	3,091,875	(4,844,092)
NET INCOMING/(OUTGOING) RESOURCES		3,913	(289,167)	(285,254)	14,380,463
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes		-	(908,000)	(908,000)	(1,823,000)
Net movement in funds		3,913	(1,197,167)	(1,193,254)	12,557,463
RECONCILIATION OF FUNDS					
Total funds brought forward		2,547,299	(3,163,040)	(615,741)	(13,173,204)
TOTAL FUNDS CARRIED FORWARD		<u>2,551,212</u>	<u>(4,360,207)</u>	<u>(1,808,995)</u>	<u>(615,741)</u>

CONTINUING OPERATIONS

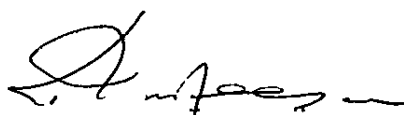
All incoming resources and resources expended arise from continuing activities


The notes form part of these financial statements

BXL SERVICES
BALANCE SHEET
AT 31ST MARCH 2010

	Note	Unrestricted funds £	Restricted funds £	31 3 10 Total funds £	31 3 09 Total funds £
CURRENT ASSETS					
Debtors amounts falling due within one year 11		-	568,336	568,336	559,378
Cash at bank		<u>2,551,212</u>	<u>-</u>	<u>2,551,212</u>	<u>2,547,299</u>
		2,551,212	568,336	3,119,548	3,106,677
CREDITORS					
Amounts falling due within one year 12		-	(2,158,543)	(2,158,543)	(1,912,418)
		<u>2,551,212</u>	<u>(1,590,207)</u>	<u>961,005</u>	<u>1,194,259</u>
NET CURRENT ASSETS/(LIABILITIES)					
		2,551,212	(1,590,207)	961,005	1,194,259
TOTAL ASSETS LESS CURRENT LIABILITIES					
		2,551,212	(1,590,207)	961,005	1,194,259
PENSION LIABILITY 14		-	(2,770,000)	(2,770,000)	(1,810,000)
		<u>2,551,212</u>	<u>(4,360,207)</u>	<u>(1,808,995)</u>	<u>(615,741)</u>
NET ASSETS/(LIABILITIES)					
		<u>2,551,212</u>	<u>(4,360,207)</u>	<u>(1,808,995)</u>	<u>(615,741)</u>
FUNDS 15					
Unrestricted funds				2,551,212	2,547,299
Restricted funds				<u>(4,360,207)</u>	<u>(3,163,040)</u>
TOTAL FUNDS				<u>(1,808,995)</u>	<u>(615,741)</u>

The financial statements were approved by the Board of Trustees on 7th July 2010 and were signed on its behalf by


K I Meeson -Trustee


M Rogers -Trustee

The notes form part of these financial statements

BXL SERVICES
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2010

		31 3 10 £	31 3 09 £
Net cash outflow from operating activities	Notes 1	(51,801)	(1,373,453)
Returns on investments and servicing of finance	2	3,913	71,982
Capital expenditure and financial investment	2	-	450,005
Decrease in cash in the period		<u>(47,888)</u>	<u>(851,466)</u>
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		<u>(47,888)</u>	<u>(851,466)</u>
Change in net debt resulting from cash flows		<u>(47,888)</u>	<u>(851,466)</u>
Movement in net debt in the period		(47,888)	(851,466)
Net debt at 1st April		<u>1,411,340</u>	<u>2,262,806</u>
Net debt at 31st March		<u>1,363,452</u>	<u>1,411,340</u>

The notes form part of these financial statements

BXL SERVICES

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31 3 10 £	31 3 09 £
Net (outgoing)\incoming resources	(285,254)	14,380,463
Depreciation charges	-	13,446
Profit on disposal of fixed assets	-	(229,978)
Interest received	(3,913)	(71,982)
(Increase)/decrease in debtors	(8,958)	3,797,374
Increase/(decrease) in creditors	194,324	(4,747,776)
Difference between pension charge and cash contributions	52,000	(14,515,000)
Net cash outflow from operating activities	<u>(51,801)</u>	<u>(1,373,453)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 3 10 £	31 3 09 £
Returns on investments and servicing of finance		
Interest received	<u>3,913</u>	<u>71,982</u>
Net cash inflow for returns on investments and servicing of finance	<u>3,913</u>	<u>71,982</u>
 Capital expenditure and financial investment		
Sale of tangible fixed assets	<u>-</u>	<u>450,005</u>
Net cash inflow for capital expenditure and financial investment	<u>-</u>	<u>450,005</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/09 £	Cash flow £	At 31/3/10 £
Net cash			
Cash at bank	2,547,299	3,913	2,551,212
Bank overdrafts	<u>(1,135,959)</u>	<u>(51,801)</u>	<u>(1,187,760)</u>
	<u>1,411,340</u>	<u>(47,888)</u>	<u>1,363,452</u>
 Total	<u>1,411,340</u>	<u>(47,888)</u>	<u>1,363,452</u>

BXL SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the basis that the charity will continue as a going concern as services continue to be commissioned from the charity

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Incoming resources that are received to cover obligations in future accounting periods are included within current liabilities and not recognised in the statement of financial activities

Where the charity receives incoming resources that are solely for distribution to third parties, the incoming resources are shown net of the distribution as the charity is not entitled to recognise the resources as income at any point. Any incoming resources that are received and not distributed as at the period end are included within current liabilities

Resources expended

Expenditure, including irrecoverable VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

Allocation and apportionment of costs

The expenditure of the charity is identified as being directly attributable to a category of resources expended and is recorded in the statement of financial activities in the appropriate category. No apportionment of resources expended is made in the financial statements

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Retirement benefits

The charitable company operates a defined benefit pension scheme. The regular pension cost is charged to the Statement of Financial Activities and is based on the expected pension costs over the service life of the employees

BXL SERVICES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

2. INVESTMENT INCOME

	31 3 10	31 3 09
	£	£
Deposit account interest	<u>3,913</u>	<u>71,982</u>

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31 3 10	31 3 09
	£	£
Grants	<u>2,802,708</u>	<u>9,464,389</u>

Grants received, included in the above, are as follows

	31 3 10	31 3 09
	£	£
Contracts covering young people and adults	<u>2,802,708</u>	<u>9,464,389</u>

4 CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 5)	Totals
	£	£	£
Information, advice and guidance to young people and adults	<u>2,680,557</u>	<u>287,593</u>	<u>2,968,150</u>

5 SUPPORT COSTS

	Overheads	Other	Totals
	£	£	£
Information, advice and guidance to young people and adults	<u>159,593</u>	<u>128,000</u>	<u>287,593</u>

6 GOVERNANCE COSTS

	31 3 10	31 3 09
	£	£
Staff costs	104,775	1,148,733
Sundries	16,000	-
Auditors' remuneration	<u>2,950</u>	<u>-</u>
	<u>123,725</u>	<u>1,148,733</u>

BXL SERVICES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2010

7 NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	31 3 10	31 3 09
	£	£
Auditors' remuneration	2,950	-
Depreciation - owned assets	-	13,446
Surplus on disposal of fixed asset	<u>-</u>	<u>(229,978)</u>

8 TRUSTEES' REMUNERATION AND BENEFITS

It is a requirement of the primary funding body that an Independent Chair is appointed D N Makin was paid £1,000 (2009 - £5,000) for his services in this role as chair

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2010 nor for the year ended 31st March 2009

9. STAFF COSTS

	31 3 10	31 3 09
	£	£
Wages and salaries	<u>2,021,273</u>	<u>(7,052,864)</u>

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

	31 3 10	31 3 09
Direct	59	193
Support	6	27
Management	<u>3</u>	<u>8</u>
	<u>68</u>	<u>228</u>

During the period, there was 1 (2008 - nil) employee whose emoluments fell between £80,000 and £90,000 This employee was accruing pension benefits within a defined benefit pension scheme Further information regarding the pension transactions recorded in the SOFA is provided in note 14 to the financial statements

10. EXCEPTIONAL ITEMS

During the previous year members of staff who were included within the defined benefits pension scheme to which the charity contributes were transferred to the two local authorities, Birmingham City Council and Solihull Metropolitan Borough Council As a result a settlement gain amounting to £15,118,000 has been credited to resources expended on charitable activities in the previous year Further information regarding the transactions taking place in the charity's financial statements that result from employee benefit obligations is provided in note 14 to these financial statements

BXL SERVICES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31ST MARCH 2010**

11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 10	31 3 09
	£	£
Trade debtors	484,498	406,788
Other debtors	2,330	2,830
VAT	-	149,760
Prepayments and accrued income	<u>81,508</u>	<u>-</u>
	<u>568,336</u>	<u>559,378</u>

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 10	31 3 09
	£	£
Bank loans and overdrafts (see note 13)	1,187,760	1,135,959
Trade creditors	116,301	215,309
Social security and other taxes	35,448	44,367
VAT	65,618	-
Other creditors	9,178	13,083
Accruals and deferred income	<u>744,238</u>	<u>503,700</u>
	<u>2,158,543</u>	<u>1,912,418</u>

13 LOANS

An analysis of the maturity of loans is given below

	31 3 10	31 3 09
	£	£
Amounts falling due within one year on demand		
Bank overdraft	<u>1,187,760</u>	<u>1,135,959</u>

14 PENSION COMMITMENTS

The charity contributes to the West Midlands Metropolitan Authorities Pension Fund for the benefit of members of its staff who are included in the scheme. The scheme is of the defined benefit type and the pension cost is spread over the working lives of the employees with the charity. The contributions are determined by the scheme actuary and the latest triennial valuation was prepared up to 31st March 2007. A specific value of the scheme assets and liabilities has been identified as being attributable to the charity and as such they have been recognised in the financial statements of the charity. The resulting pension payments due to the employees covered by the scheme are to be paid by local government.

BXL SERVICES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

14 PENSION COMMITMENTS - continued

The amounts recognised in the balance sheet are as follows

	Defined benefit pension plans	
	31 3 10	31 3 09
	£	£
Present value of funded obligations	(3,255,000)	(1,967,000)
Fair value of plan assets	<u>485,000</u>	<u>157,000</u>
	(2,770,000)	(1,810,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(2,770,000)</u>	<u>(1,810,000)</u>
Net liability	<u>(2,770,000)</u>	<u>(1,810,000)</u>

The amounts recognised in profit or loss are as follows

	Defined benefit pension plans	
	31 3 10	31 3 09
	£	£
Current service cost	113,000	993,000
Interest cost	144,000	1,387,000
Expected return	(16,000)	(1,063,000)
Past service cost	-	455,000
Gains/losses on settlements and curtailments	<u>-</u>	<u>15,118,000</u>
	<u>241,000</u>	<u>16,890,000</u>
Actual return on plan assets	<u>78,000</u>	<u>(2,413,000)</u>

Changes in the present value of the defined benefit obligation are as follows

	Defined benefit pension plans	
	31 3 10	31 3 09
	£	£
Opening defined benefit obligation	1,967,000	44,699,000
Current service cost	113,000	993,000
Past service cost	-	455,000
Contributions by scheme participants	61,000	351,000
Interest cost	144,000	1,387,000
Actuarial losses/(gains)	970,000	(1,653,000)
Benefits paid	-	(588,000)
Settlements	<u>-</u>	<u>(43,677,000)</u>
	<u>3,255,000</u>	<u>1,967,000</u>

BXL SERVICES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

14. PENSION COMMITMENTS - continued

Changes in the fair value of scheme assets are as follows

	Defined benefit pension plans	
	31 3 10	31 3 09
	£	£
Opening fair value of scheme assets	157,000	30,197,000
Contributions by employer	189,000	1,169,000
Contributions by scheme participants	61,000	351,000
Expected return	16,000	1,063,000
Actuarial gains/(losses)	62,000	(3,476,000)
Benefits paid	-	(588,000)
Settlements	-	(28,559,000)
	<u>485,000</u>	<u>157,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows

	Defined benefit pension plans	
	31 3 10	31 3 09
	£	£
Actuarial gains/(losses)	<u>(908,000)</u>	<u>(1,823,000)</u>
	<u>(908,000)</u>	<u>(1,823,000)</u>
Cumulative amount of actuarial gains/(losses)	<u>(7,952,000)</u>	<u>(7,044,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows

	Defined benefit pension plans	
	31 3 10	31 3 09
	£	£
Equities	307,000	103,000
Government bonds	36,000	21,000
Property	39,000	16,000
Other bonds	32,000	12,000
Other	<u>71,000</u>	<u>5,000</u>
	<u>485,000</u>	<u>157,000</u>

BXL SERVICES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2010

14 PENSION COMMITMENTS - continued

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

	31 3 10	31 3 09
Discount rate	5.65%	7.00%
Expected return on scheme assets	6.88%	6.58%
Future salary increases	5.35%	5.25%
Future pension increases	3.60%	3.50%
Inflation	3.60%	3.50%

Amounts for the current and previous four periods are as follows

	31 3 10	31 3 09	31 3 08	31 3 07	31 3 06
Defined benefit pension plans					
Defined benefit obligation	(3,255,000)	(1,967,000)	(44,699,000)	(35,931,000)	(32,993,000)
Fair value of scheme assets	485,000	157,000	30,197,000	25,868,000	22,722,000
Deficit	(2,770,000)	(1,810,000)	(14,502,000)	(10,063,000)	(10,271,000)
Experience adjustments on scheme liabilities	-	-	(2,360,000)	-	164,000
Experience adjustments on scheme assets	62,000	(3,476,000)	1,031,000	173,000	704,000

15 MOVEMENT IN FUNDS

	At 1/4/09 £	Net movement in funds £	At 31/3/10 £
Unrestricted funds			
General fund	2,547,299	3,913	2,551,212
Restricted funds			
Grant income from Government and other public authorities	(3,163,040)	(1,197,167)	(4,360,207)
TOTAL FUNDS	<u>(615,741)</u>	<u>(1,193,254)</u>	<u>(1,808,995)</u>

BXL SERVICES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2010

15 MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,913	-	-	3,913
Restricted funds				
Grant income from Government and other public authorities	2,802,708	(3,091,875)	(908,000)	(1,197,167)
TOTAL FUNDS	<u>2,806,621</u>	<u>(3,091,875)</u>	<u>(908,000)</u>	<u>(1,193,254)</u>

The deficit on the restricted fund includes the liability on the defined benefit pension scheme
Unrestricted funds are available to meet any further deficits on the restricted fund

16 RELATED PARTY DISCLOSURES

The company's members are Birmingham Chamber of Commerce and Industry, Solihull Metropolitan Borough Council and Birmingham City Council
During the year, the following transactions took place with related parties

Income	31 03 10 £	31 03 09 £
Birmingham City Council	658,505	5,937,170
Learning Skills Council	4,528	937,062
Solihull Metropolitan Borough Council	<u>308,509</u>	<u>830,374</u>
	<u>971,542</u>	<u>7,704,606</u>

BXL SERVICES**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010****16 RELATED PARTY DISCLOSURES - continued****Expenditure**

	31 03 10 £	31 03 09 £
Birmingham City Council	54,564	561,686
Birmingham Voluntary Services Council	-	36,061
Birmingham Chamber of Commerce	116,874	91,433
Solihull Metropolitan Borough Council	<u>6,152</u>	<u>181,945</u>
	<u>177,590</u>	<u>871,125</u>

Debtors

	31 03 10 £	31 03 09 £
Birmingham City Council	328,479	202,470
Learning Skills Council	21,654	81,435
Solihull Metropolitan Borough Council	<u>71,648</u>	<u>18,035</u>
	<u>421,781</u>	<u>301,940</u>

Creditors

	31 03 10 £	31 03 09 £
Birmingham City Council	4,827	20,516
Birmingham Chamber of Commerce	<u>1,620</u>	<u>-</u>
	<u>6,447</u>	<u>20,516</u>

17. ULTIMATE CONTROLLING PARTY

The charity is considered to have no ultimate controlling party