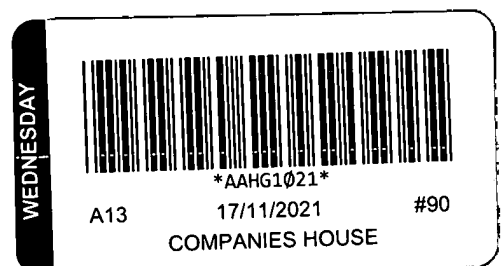

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	C Hodgson CBE S Holliday Dame J Cleverdon B Lightman C Harris OBE (resigned 31 December 2020) M Isap J Yarham D Baldwin Baroness N Morgan (appointed 3 July 2020) E Beale (appointed 10 March 2021) O De Botton (appointed 10 March 2021)
Company secretary	E Kingsley
Registered number	09432724
Registered office	2-7 Clerkenwell Green London England EC1R 0DE
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

THE CAREERS AND ENTERPRISE COMPANY LIMITED
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THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Careers & Enterprise Company (the Company) is the national network set up to inspire and prepare young people for the fast-changing world of work. Its role is to connect schools and colleges, employers and careers programme providers to create high-impact careers opportunities for young people across England. This helps young people to find their best next step out of education and into the wider world.

Business Review

How we deliver our role:

The Company has three strategic priorities:

1. Building networks:

Linking schools and colleges to employers and other external careers providers through the Enterprise Adviser Network and Careers Hubs.

2. Supporting and challenging careers leaders:

Providing training and support for Careers Leaders in schools and colleges.

3. Backing the Gatsby Benchmarks:

Supporting the implementation of a best practice standard for careers support, the Gatsby Benchmarks, with tools and targeted funding.

This work has been underpinned by research on where need is greatest and what works best to support young people. The Company has continued the development of digital systems to support careers and enterprise activities, including Compass Classic and Compass+, platforms to help schools and colleges measure the effectiveness of their careers provision against the Gatsby Benchmarks.

Progress

The following section highlights progress against the Company's three core objectives:

Building Networks

Careers education is improving across England. Some of the highest rates of improvement are in areas with high levels of disadvantaged young people and areas where Career Hubs operate.

- Schools and colleges continue to make progress against the Gatsby Benchmarks nationally.
- Performance is accelerated in Careers Hubs, with 2,234 schools and colleges now part of their local Careers Hub. Schools and colleges in the first wave of Careers Hubs have improved the performance of their careers provision by 92 per cent in two years, achieving 4.8 of the Gatsby Benchmarks, up from 2.5 in 2018. They are also now performing at more than twice the rate of those schools and colleges outside of our network.
- More than 3,381 business professionals are volunteering as Enterprise Advisers and are partnered with schools and colleges.
- 324 businesses have committed to become Cornerstone Employers and underwrite careers support to schools and colleges in their area.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Supporting Careers Leaders

A motivated and engaged workforce of Careers Leaders in schools and colleges is working across the country.

- The Company has supported 1,400 Careers Leaders to take part in professional development training, and a further 2,600 have taken part in online training modules to improve their careers education programmes.
- 92 per cent of Careers Leaders say careers provision has improved since the Government's careers strategy was introduced in 2017.
- 72 per cent of school and college leaders believe career guidance has become even more important as a result of the Coronavirus pandemic, with the same proportion saying it was either their top priority or among their top five priorities in the 2020/21 academic year.

Backing the Gatsby Benchmarks

Schools and colleges have adopted the Gatsby Benchmarks, and they are using them to evaluate, improve and plan careers activity.

- 4,221 schools and colleges have joined our network and adopted the Gatsby Benchmarks.
- 221 colleges have joined our Further Education and Skills community of best practice, to support, develop and drive innovation in careers education.
- 668 schools and colleges are involved in our Special Educational Needs and Disability community of best practice, to support, develop and drive innovation in careers education.
- 4,104 schools and colleges have used the digital platform Compass at least once, with 1,609 schools and colleges now using our enhanced Compass+ tool.

Principal risks and uncertainties

The Company has a strategic risk register which is reviewed quarterly by the Senior Leadership Team and the Board. The Company's principal risks and uncertainties relate to the on-going impact of the Covid-19 pandemic. The impact of the rapid scaling up of our network and programmes, including the capacity of the Local Enterprise Partnerships and our other delivery partners to work with us to help implement government's priorities, are also risks and bring uncertainties.

Financial key performance indicators

The Board and the Senior Leadership Team monitors and manages the performance of the Company, assisted by the production of detailed monthly management reports. These contain detailed monthly accounts and a number of key financial and non-financial performance measures.

Future developments

The Company has a signed Grant Funding Agreement with the Department for Education for the 2021/22 financial year, allowing the continuation of the strategic priorities set out above. We will do this through the following measures:

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Building Networks

To link schools and colleges to employers and other external careers providers through the Enterprise Adviser Network and Careers Hubs. In order to drive improvement in employer engagement and the Gatsby Benchmarks, we will:

- Grow the Enterprise Adviser Network so that:
 - o Every secondary school and college in the country is invited to become part of the Network, with at least 4,400 signing-up;
 - o 4,200 volunteer enterprise advisors recruited;
 - o 3,600 schools and colleges have been matched with a dedicated volunteer.
- Expand the successful 'Careers Hub' model to deliver improvements in careers education:
 - o Increase by 1,050 the number of schools and colleges in a Careers Hub (to reach 67% coverage across the country);
 - o Continue to support the existing network of Careers Hubs;
 - o Ensure all schools and colleges in Careers Hubs progress against all Gatsby Benchmarks.

Supporting Careers Leaders

Provide training and support for Careers Leaders so they have the knowledge, behaviour and skills to make progress against the Gatsby Benchmarks. We will:

- Deliver Careers Leader training and bursaries so that:
 - o 750 Careers Leaders receive a fully funded training bursary, on top of the 2,000 who have already been through the programme;
 - o 1,000 Careers Leaders benefit from new online learning modules.
- Provide innovative digital support and tools to Careers Leaders by:
 - o Supporting 2,500 schools and colleges to move onto our Compass+ evaluation tool;
 - o Provide guidance and support for Careers Leaders on best practice usage of Compass+ to increase meaningful use of the system;
 - o Adapting Compass+ for more tailored use by different types of organisations.

Backing the Gatsby Benchmarks

Continuing to support schools and colleges to implement a best practice standard for careers support – the Gatsby Benchmarks – with tools and targeted funding. We will:

- Deliver investment, guidance and resources to:
 - o Grow communities of best practice for Special Educational Needs and Disability, inviting all SEND schools and colleges to join and growing engagement from Alternative Provisions;
 - o Grow communities of best practice for Further Education and Skills, with all colleges and sixth form colleges invited to take part;
 - o Build a new community of best practice for Independent Training Providers, creating a Careers Leader toolkit for the sector, new resources and growing engagement from training providers;
 - o Build a new community of best practice for multi academy trusts, inviting all trust with a central strategic Careers Leader to join.


THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- Provide digital tools and support to schools and colleges to:
 - o Optimise the Digital Future Skills Tools and scale up their use in schools and colleges, to measure the impact of careers activities on young people;
 - o Continue to develop and grow a Resource and Provider Directory to allow schools and colleges to find a quality careers provider that meets their needs.

This report was approved by the board on 4th November 2021 and signed on its behalf.

C Hodgson CBE
Chairman


Christina Hodgson: 2900-4, 2021 0557 (GM)

Nov 4, 2021

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £7,425 (2020 - £53,257).

Directors

The directors who served during the year were:

C Hodgson CBE (Non Executive Director)
S Holliday (Non Executive Director)
Dame J Cleverdon (Non Executive Director)
B Lightman (Non Executive Director)
C Harris OBE (resigned 31 December 2020)
M Isap (Non Executive Director)
J Yarham
D Baldwin (Non Executive Director)
Baroness N Morgan (Non Executive Director) (appointed 3 July 2020)
E Beale (Non Executive Director) (appointed 10 March 2021)
O De Botton (appointed 10 March 2021)

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

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


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

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4th November 2021

and signed on its behalf.


Christine Hodgson (Nov 4, 2021) JG37 GNT1

Nov 4, 2021

C Hodgson CBE
Director

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CAREERS AND ENTERPRISE
COMPANY LIMITED**

Opinion

We have audited the financial statements of The Careers and Enterprise Company Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CAREERS AND ENTERPRISE
COMPANY LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CAREERS AND ENTERPRISE
COMPANY LIMITED (CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our procedures involved enquiries with management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tested included by were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CAREERS AND ENTERPRISE
COMPANY LIMITED (CONTINUED)**

Use of our report

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.

M Stallabass

Matthew Stallabass (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

Date: 8 November 2021

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Grant Income	4	30,035,842	29,254,983
Administrative expenses		(30,034,495)	(29,254,983)
Operating surplus	5	1,347	-
Interest receivable and similar income	9	6,514	65,749
Surplus before tax		7,861	65,749
Tax on surplus	10	(436)	(12,492)
Surplus for the year		7,425	53,257

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 16 to 25 form part of these financial statements.


THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 09432724

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	19,255	1,233
		<u>19,255</u>	<u>1,233</u>
Current assets			
Debtors: amounts falling due within one year	12	1,940,628	178,884
Cash at bank and in hand	13	9,911,295	16,351,372
		<u>11,851,923</u>	<u>16,530,256</u>
Creditors: amounts falling due within one year	14	(11,810,496)	(16,478,232)
Net current assets		<u>41,427</u>	<u>52,024</u>
Total assets less current liabilities		<u>60,682</u>	<u>53,257</u>
Net assets		<u><u>60,682</u></u>	<u><u>53,257</u></u>
Capital and reserves			
General reserves	17	60,682	53,257
		<u><u>60,682</u></u>	<u><u>53,257</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4th November 2021.

C Hodgson CBE
Director


Christine Hodgson (Nov 4, 2021) (0957 0411)

Nov 4, 2021

The notes on pages 16 to 25 form part of these financial statements.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Profit and loss account £	Total equity £
Comprehensive income for the year		
Profit for the year	53,257	53,257
Total comprehensive income for the year	<u>53,257</u>	<u>53,257</u>
At 1 April 2020	<u>53,257</u>	<u>53,257</u>
Comprehensive income for the year		
Profit for the year	7,425	7,425
Total comprehensive income for the year	<u>7,425</u>	<u>7,425</u>
At 31 March 2021	<u><u>60,682</u></u>	<u><u>60,682</u></u>

The notes on pages 16 to 25 form part of these financial statements.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	7,425	53,257
Adjustments for:		
Depreciation of tangible assets	4,027	246
Interest received	(6,514)	(65,749)
Taxation charge	436	12,492
(Increase)/decrease in debtors	(1,761,744)	382,476
(Decrease) in creditors	(4,655,331)	(4,526,796)
Corporation tax (paid)/received	(12,840)	-
Net cash generated from operating activities	(6,424,541)	(4,144,074)
Cash flows from investing activities		
Purchase of tangible fixed assets	(22,049)	(1,479)
Interest received	6,514	65,749
Net cash from investing activities	(15,535)	64,270
Net (decrease) in cash and cash equivalents	(6,440,076)	(4,079,804)
Cash and cash equivalents at beginning of year	16,351,371	20,431,175
Cash and cash equivalents at the end of year	9,911,295	16,351,371
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,911,295	16,351,371
	9,911,295	16,351,371

The notes on pages 16 to 25 form part of these financial statements.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

ANALYSIS OF NET DEBT
AS AT 31 MARCH 2021

	Cash at bank and in hand £
At 1 April 2020	16,351,371
Cash flows	(6,440,076)
At 31 March 2021	<u>9,911,295</u>

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Careers and Enterprise Company Limited is a private company (limited by guarantee without share capital) incorporated and domiciled in England and Wales.

The address of the registered office is 2-7 Clerkenwell Green, London, England, EC1R 0DE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors consider the going concern basis to be appropriate having paid due regard to the Company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Creditors

Short and long term creditors are measured at the transaction price.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.13 Government grants & grant income

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure. The deferred element of grants is included in creditors as deferred income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and reviewed to take account of the changing environment within which we operate. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Accruals

At the end of the balance sheet date accruals are made for programmes which are contracted to be paid quarterly in arrears; this includes payments to investment fund beneficiaries and Local Enterprise Partnerships for enterprise co-ordinator costs. Accruals are based on the latest cash projections provided by the fund beneficiaries, and the estimated number of enterprise co-ordinators in place during the quarter.

THE CAREERS AND ENTERPRISE COMPANY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Government grant (note 15)	29,769,991	28,995,134
Other grant income	265,851	259,849
	<u>30,035,842</u>	<u>29,254,983</u>

5. Operating surplus

The operating surplus is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	5,885	246
Other operating lease rentals	5,252	5,916
Pension cost	194,056	179,590
	<u>199,193</u>	<u>185,752</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,920	13,920

Fees payable to the Company's auditor and its associates in respect of:

Preparation of the financial statements	1,620	1,620
Review of the annual expenditure certificate	1,260	1,260

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7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	4,593,731	4,093,288
Social security costs	492,708	438,728
Cost of defined contribution scheme	194,056	179,590
	<u>5,280,495</u>	<u>4,711,606</u>

The average monthly number of employees, including the directors, during the year was 90 (2020: 81).

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	<u>135,288</u>	<u>190,832</u>

There was 1 Executive director (2020: 2) during the year.

All non-executive Directors provide their services on a voluntary basis.

9. Interest receivable

	2021	2020
	£	£
Bank interest receivable	<u>6,514</u>	<u>65,749</u>

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10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on surplus for the year	88	12,492
Adjustments in respect of previous periods	348	-
Total current tax	<u>436</u>	<u>12,492</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Surplus arising from ordinary activities before tax	<u>7,861</u>	<u>65,749</u>
Surplus arising from ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,494	12,492
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	235	-
Capital allowances for year in excess of depreciation	(1,641)	-
Adjustments to tax charge in respect of prior periods	348	-
Total tax charge for the year	<u>436</u>	<u>12,492</u>

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11. Tangible fixed assets

	Office equipment £
Cost	
At 1 April 2020	82,058
Additions	22,049
At 31 March 2021	<u>104,107</u>
Depreciation	
At 1 April 2020	80,825
Charge for the year on owned assets	4,027
At 31 March 2021	<u>84,852</u>
Net book value	
At 31 March 2021	<u><u>19,255</u></u>
At 31 March 2020	<u><u>1,233</u></u>

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12. Debtors

	2021 £	2020 £
Trade debtors	865,033	-
Other debtors	76,376	160,141
Prepayments and accrued income	999,219	18,743
	<u>1,940,628</u>	<u>178,884</u>

Trade debtors is made up of grant income claimed but not received as at the year end.

Accrued income is grant income claimable against activities but not yet claimed at year-end.

The increase in both trade debtors and accrued income are due to claims are made in arrears during 2020/21 (in advance in 2019/20).

13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>9,911,295</u>	<u>16,351,371</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	874,908	375,893
Corporation tax	88	12,492
Other taxation and social security	138,628	104,587
Other creditors	1,739,629	1,855,544
Accruals	7,968,795	5,713,698
Deferred income	1,088,448	8,416,018
	<u>11,810,496</u>	<u>16,478,232</u>

The large drop in deferred income is due to the Investment Fund programme, which had been financed in advance, having come to completion during the year.

Deferred income held at year-end is now all in respect of non-government grant income.

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15. Grant Funding Income

A grant funding agreement was signed with the Department for Education for the value up to £28,800,000 for the period commencing 1 April 2020 and ending 31 March 2021.

£25,898,815 of this funding was spent and is recognised in the statement of comprehensive income to reflect resources expended by the Company during the year. In addition £3,871,176 of funding received in previous year's agreements and deferred was spent during this year and is now recognised in the statement of comprehensive income.

16. Financial instruments

	2021 £	2020 £
Financial assets		
Cash and cash equivalents	9,911,295	16,351,371
Financial assets that are debt instruments measured at amortised cost	941,409	132,859
	<u>10,852,704</u>	<u>16,484,230</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(10,572,556)	(5,965,884)

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

17. General Reserves

General reserves are those to be used to meet the objectives of the company and are not available for distribution.

18. 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.

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19. 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 £194,056 (2020 - £179,590). Contributions totalling £34,082 (2020 - £30,719) were payable to the fund at the reporting date.

20. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	-	238,000
	<u> </u>	<u> </u>

21. Key management

Key management personnel who have the authority and responsibility for planning, directing and controlling the activities of Careers and Enterprise Company Limited, directly or indirectly, are the directors.

The Director's remuneration is disclosed in note 8 to the financial statements.