

BTCV Enterprises Limited
Financial statements
For the year ended 31 March 2011



Company information

Company registration number:	1933576
Registered office:	Sedum House Mallard Way Potteric Carr DONCASTER DN4 8DB
Company Secretary:	W Ellis
Directors:	T Flood CBE G Allon R Fern P Hirst W Ellis
Bankers:	Barclays Bank plc Basingstoke and Reading Business Centre PO Box 6193 BASINGSTOKE RG21 3RX Natwest plc Doncaster Branch 12 High Street DONCASTER DN1 1EJ
Auditors:	Grant Thornton UK LLP Chartered Accountants Registered Auditors 2 Broadfield Court SHEFFIELD S8 0XF

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Directors' report

The directors present their report and accounts of the Company for the year ended 31 March 2011.

Activities and review of business

The principal activities of the Company are the delivery of learning, educational and personal development and employment programmes, mostly based on employment related services, and the sale of horticultural tools, clothing, plants, seeds and conservation publications.

The Company had an operating profit of £3,118,888 (2010: £2,026,113).

Government and training income increased from £16m in 2010 to £19m in 2011.

Taxable profits are passed to the parent company (BTCV) in a tax efficient manner via a gift aid payment. The Company's three year business plan gives the directors confidence that while financial performance for the two years ahead are not at the same level as the year being reported, and in fact the Company is anticipated to reduce in size, it does have the capacity to grow in future years and generate higher returns.

Results

The results for the year are set out on page 6.

During the year the directors used several KPI's to help them monitor the activities of the Company these included:

	2011	2010
Gross profit margin	98.6%	98.4%
Operating profit margin	15.7%	12%

Directors and directors' interests

The directors who served throughout the year, except where stated, were as follows:

G Allon
W Ellis
R Fern
T Flood CBE
P Hirst

None of the directors had any interests in the shares of the company at the beginning or the end of the year.

Directors' and officers' liability insurance

During the year the Company purchased and maintained liability insurance for its directors and officers.

Employee involvement

During the year, the policy of providing employees with information about the Company has been continued through the newsletter *Green Zine* in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are also held between local management and employees to allow a free flow of ideas and information.

Directors' report

Statement of Directors' responsibilities

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 and then apply them consistently;
- make judgements and 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the Company and its auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Principal risks and uncertainties

The current economic climate presents an element of uncertainty but also opportunity, some of which contains considerable risk.

BTCV Enterprises remains actively engaged in the delivery of the Welfare to Work strategy being progressed by the Department of Work and Pensions (DWP). During the year under review BTCV Enterprises engaged with a number of Prime Contractors to deliver the Department of Work and Pensions Work Programme (WP) an initiative aimed at getting the long term unemployed into sustainable employment. Post the 31 March 2011, BTCV Enterprises Limited signed contracts with four Prime Contractors to deliver WP in four locations. The board of directors acknowledged in engaging these contracts that the Welfare to Work market is a disruptive market but feel that these risks are manageable. The employment service business market is constantly under review to ensure the most commercial and cost effective approach for delivery is established.

Delivery of training remains a key focus and potential area of growth.

Financial risk management objectives and policies

The Company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of those financial instruments is to raise finance for the Company's operations. The main risks arising from the Company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Directors' report

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and appropriately.

Interest rate risk

The Company finances its operations through a mixture of retained profits and bank borrowings. The Company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD

W Ellis
Secretary
11 October 2011

Report of the independent auditor to the members of BTCV Enterprises Limited

Independent auditor's report to the members of BTCV Enterprises Limited

We have audited the financial statements of BTCV Enterprises Limited for the year ended 31 March 2011 which comprise the profit and loss account, the statement of historical cost surpluses and deficits, the statement of total recognised gains and losses, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Report of the independent auditor to the members of BTCV Enterprises Limited

Matters on which we are required to report by exception

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

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

Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
SHEFFIELD
11 October 2011

Profit and loss account

	Note	2011 £	2010 £
Turnover	1	19,804,730	16,818,083
Cost of sales		<u>(272,722)</u>	<u>(268,430)</u>
Gross profit		19,532,008	16,549,653
Administrative expenses		<u>(16,413,120)</u>	<u>(14,523,540)</u>
Operating profit	2	3,118,888	2,026,113
Interest payable	5	(15,498)	(17,830)
Gift Aid payment		<u>(3,103,390)</u>	<u>(2,008,283)</u>
Profit on ordinary activities before taxation		-	-
Taxation on profit on ordinary activities	6	<u>(62,000)</u>	<u>5,000</u>
(Loss)/ profit for the financial year	15	<u>(62,000)</u>	<u>5,000</u>

All operations were classed as continuing.

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of historical cost surpluses and deficits

	2011	2010
	£	£
Reported surplus of income over expenditure before taxation	-	-
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>27,832</u>	<u>27,832</u>
Historical cost surplus of income over expenditure before taxation	<u>27,832</u>	<u>27,832</u>
Historical cost (deficit) /surplus on ordinary activities after taxation	<u>(34,168)</u>	<u>32,832</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of total recognised gains and losses

	2011 £	2010 £
Loss on continuing operations after depreciation of assets at valuation and disposal of assets and tax	(62,000)	5,000
Unrealised surplus on revaluation of properties	<u>1,309</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>(60,691)</u>	<u>5,000</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	7	1,024,432	1,076,469
Investments	8	250	10,250
		<u>1,024,682</u>	<u>1,086,719</u>
Current assets			
Stocks		33,030	35,575
Debtors	9	2,152,956	2,316,388
Cash at bank and in hand		933,340	420,677
		<u>3,119,326</u>	<u>2,772,640</u>
Creditors: amounts falling due within one year	10	<u>(3,094,072)</u>	<u>(2,731,036)</u>
Net current assets		<u>25,254</u>	<u>41,604</u>
Total assets less current liabilities		<u>1,049,936</u>	<u>1,128,323</u>
Creditors: amounts falling due after more than one year	11	<u>(39,158)</u>	<u>(56,854)</u>
Net assets		<u>1,010,778</u>	<u>1,071,469</u>
Funds and reserves			
Called up share capital	13	500,000	500,000
Revaluation reserve	14	473,809	500,332
Profit and loss account	14	36,969	71,137
Shareholders' funds		<u>1,010,778</u>	<u>1,071,469</u>

Approved by the Board of Directors on 11 October 2011 and signed on its behalf.

P Hirst

Director

Company Number : 1933576

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention except that they have been modified to include the revaluation of certain fixed assets.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous period.

Consolidation

The Company has taken advantage of the exemption permitted by section 400 of the Companies Act 2006 and not produced consolidated financial statements as it is a wholly owned subsidiary.

Cash flow statement

The directors have taken advantage of the exemption in FRS1 (Revised 1996) as it is a wholly owned subsidiary of BTCV which prepares consolidated financial statements.

Turnover

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT.

Transactions are recorded as sales when the delivery of products or performance of services takes place in accordance with the contract terms of sale.

Tangible fixed assets

Tangible fixed assets and all fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost or valuation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% - 5% per annum straight line
Short Leasehold Improvements	-	over length of lease straight line
Motor Vehicles	-	12.5% - 33% per annum straight line
Computer Hardware and Software	-	20% - 33% per annum straight line
Other Equipment	-	20% - 33% per annum straight line

Tools, computers and other equipment

Tools and equipment purchased for use on conservation projects and items of office equipment under £2,000 are charged to expenditure as incurred.

Investments

Assets held for investment purposes are held at cost less amounts written off.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Principal accounting policies

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date.

Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss over period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss on a straight line basis over the lease term.

Retirement benefits - Defined Contribution Pension Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements

1 Turnover

An analysis of turnover is given below:

	2011	2010
	£	£
Government training income	19,279,696	16,036,478
Conservation projects income	58,022	100,877
Product sales	406,665	393,598
Sundry income	60,347	287,130
	<u>19,804,730</u>	<u>16,818,083</u>

2 Operating profit

Operating profit is stated after charging:

	2011	2010
	£	£
Depreciation of owned fixed assets:	80,466	58,148
Depreciation of assets held under finance leases and hire purchase agreements	47,385	65,388
Operating lease costs:		
Land and buildings	1,032,877	744,163
Plant and equipment	1,146	11,262
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the annual accounts	9,450	9,450
Fees payable to the company's auditor for tax services	3,300	3,300
Loss on disposal of fixed assets	4,998	1,833
	<u>1,177,928</u>	<u>888,364</u>

3 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2011	2010
	Number	Number
Operational	292	248
Finance and administration	20	-
	<u>312</u>	<u>248</u>

The aggregate payroll costs of the above were:

	2011	2010
	£	£
Wages and salaries	7,322,585	5,327,830
Social security costs	571,785	443,482
Other pension costs	140,844	139,828
	<u>8,035,214</u>	<u>5,911,140</u>

Notes to the financial statements

4 Directors

Remuneration in respect of directors was as follows:

	2011	2010
	£	£
Emoluments receivable	<u>62,747</u>	<u>61,285</u>

No directors accrued benefits under company pension schemes in the year (2010: none) that were payable through the company. Emoluments receivable by other directors paid through the parent company total £285,530. These directors accrued benefits under company pension schemes in the year of £4,477. These amounts are disclosed within staff costs of the parent company.

5 Interest payable and similar charges

	2011	2010
	£	£
Bank interest	3,764	4,093
Finance lease interest	<u>11,734</u>	<u>13,737</u>
	<u>15,498</u>	<u>17,830</u>

6 Tax charge and profit on ordinary activities

Analysis of tax charge on ordinary activities:

	2011	2010
	£	£
Adjustment in respect of prior year	(131,000)	(136,000)
United Kingdom corporation tax at 28% (2010: 28%)	<u>193,000</u>	<u>131,000</u>
Tax (credit)	<u>62,000</u>	<u>(5,000)</u>

Factors affecting tax charge for the current period:

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>-</u>	<u>-</u>
Tax at 28% (2010: 28%) thereon	-	-
Effects of:		
Expenses not deductible for tax purposes	18,979	141,068
Adjustments to tax charge in respect of previous periods	(131,000)	(136,000)
Capital allowances for the period in excess of depreciation	4,496	(8,517)
Unrelieved tax losses and other deductions arising in the period	168,736	-
Over provision at current tax	789	-
Short term timing differences	-	(1,513)
Other	-	(38)
	<u>62,000</u>	<u>(5,000)</u>

Notes to the financial statements

7 Tangible fixed assets

	Freehold property £	Short leasehold improvements £	Motor vehicles £	Computer and other equipment £	Total £
Cost or valuation					
At 1 April 2010	790,735	12,500	663,695	230,309	1,697,239
Additions at cost	-	-	44,068	112,582	156,650
Disposals	-	-	(143,247)	-	(143,247)
Intragroup transfers	(115,735)	-	(139,861)	-	(255,596)
At 31 March 2011	<u>675,000</u>	<u>12,500</u>	<u>424,655</u>	<u>342,891</u>	<u>1,455,046</u>
Depreciation					
At 1 April 2010	77,415	2,119	320,049	221,187	620,770
Charge for the year	39,629	2,542	66,666	19,014	127,851
Released on disposals	-	-	(125,758)	-	(125,758)
Intragroup transfers	(117,044)	-	(75,205)	-	(192,249)
At 31 March 2011	<u>-</u>	<u>4,661</u>	<u>185,752</u>	<u>240,201</u>	<u>430,614</u>
Net book amount					
At 31 March 2011	<u>675,000</u>	<u>7,839</u>	<u>238,903</u>	<u>102,690</u>	<u>1,024,432</u>
Net book amount					
At 31 March 2010	<u>713,320</u>	<u>10,381</u>	<u>343,646</u>	<u>9,122</u>	<u>1,076,469</u>

Included in the net book value of motor vehicles is £297,342 (2010: £295,621) relating to assets held under finance leases.

The figures stated for cost and valuation include a valuation as follows:

	Freehold property £
At valuation 2011	675,000
Additions at cost	-
	<u>675,000</u>

The freehold property was valued by external valuers, DVS Property Specialists for the public sector, Chartered Surveyors, as at 12 May 2011, on the basis of open market value in existing use.

Notes to the financial statements

7 Tangible fixed assets (continued)

If freehold land and buildings had not been revalued, they would have been included at historical cost basis at the following amounts:

	Total £
Cost	
At 1 April 2010	294,920
Additions	-
At 31 March 2011	<u>294,920</u>
Depreciation	
At 1 April 2010	81,932
Charge for the year	11,797
At 31 March 2011	<u>93,729</u>
Net book amount at 31 March 2011	<u>201,191</u>
Net book amount at 31 March 2010	<u>212,988</u>

8 Investments

	Associated undertaking £	Other investments £	Total £
Cost			
At 1 April 2010	10,000	250	10,250
Disposal	(10,000)	-	(10,000)
At 31 March 2011	<u>-</u>	<u>250</u>	<u>250</u>
Amounts provided			
At 1 April 2010 and at 31 March 2011	<u>-</u>	<u>-</u>	<u>-</u>
Net book amount at 31 March 2011	<u>-</u>	<u>250</u>	<u>250</u>
Net book amount at 31 March 2010	<u>10,000</u>	<u>250</u>	<u>10,250</u>

Investment in subsidiaries and associated undertakings

The company owned more than 20% of the voting rights in the following trading companies:

Name of undertaking	Class of share capital held	Proportion of nominal value of shares held	Accounting year end	Activities
Associated Undertaking				
Triage Central Limited	Ordinary shares of £1	50%	31 March	Employment and training services

These shares were disposed of on 31 March 2011 for consideration equivalent to their nominal value.

Notes to the financial statements

9 Debtors

	2011	2010
	£	£
Trade debtors	656,177	942,530
Other debtors	77,528	59,634
Prepayments and accrued income	1,419,251	1,314,224
	<u>2,152,956</u>	<u>2,316,388</u>

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	749,946	805,118
Amounts owed to parent undertaking	595,214	406,786
Corporation tax payable	193,000	131,000
Social security and other taxes	671,210	702,129
Other creditors	109	906
Accruals and deferred income	827,947	593,874
Amounts due under finance leases	56,646	91,223
	<u>3,094,072</u>	<u>2,731,036</u>

11 Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Amounts due under finance leases	<u>39,158</u>	<u>56,854</u>

12 Borrowings

Borrowings are repayable as follows:

	2011	2010
	£	£
Within one year		
Finance leases	56,646	91,223
After one and within two years		
Finance leases	31,730	39,905
After two and within five years		
Finance leases	7,428	16,949
	<u>95,804</u>	<u>148,077</u>

Notes to the financial statements

13 Called up share capital

	2011 £	2010 £
Ordinary shares of £1 each Authorised	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid	<u>500,000</u>	<u>500,000</u>

14 Statement of movement on reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2010	500,332	71,137
Profit for the year	-	(62,000)
Revaluation	1,309	-
Transfer	(27,832)	27,832
At 31 March 2011	<u>473,809</u>	<u>36,969</u>

15 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	(62,000)	5,000
Revaluation of fixed assets	1,309	-
Total recognised gains and losses in the year	<u>(60,691)</u>	5,000
Opening shareholders' funds	<u>1,071,469</u>	<u>1,066,469</u>
Closing shareholders' funds	<u>1,010,778</u>	<u>1,071,469</u>

16 Operating leases

Annual commitments for land and buildings, under non-cancellable operating leases are as follows:

	2011 £	2010 £
Operating leases which expire:		
Within one year	139,487	221,244
Within two to five years	498,362	327,649
After five years	20,000	20,000
	<u>657,849</u>	<u>568,893</u>

17 Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard No. 8 not to disclose related party transactions with other group companies.

Notes to the financial statements

18 Contingent liabilities

There were no contingent liabilities at 31 March 2011 or 31 March 2010.

19 Capital commitments

There were no capital commitments at 31 March 2011 or 31 March 2010.

20 Retirement benefits – Defined contribution pension scheme

The Company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the Company.

21 Parent company and controlling party

The Company is a wholly owned subsidiary of BTCV, a company registered in England and Wales. The parent undertaking of the largest and smallest group of which BTCV Enterprises Limited is a member and for which group accounts are prepared is BTCV. These group accounts are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.