

STANDARDS VERIFICATION UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

Company Registration Number 05281524

STANDARDS VERIFICATION UK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

CONTENTS	PAGES
Officers and professional advisers	3
Chair's Introduction	2
The directors' report	3-4
Independent auditor's report to the members	5-6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9-12
 The following pages do not form part of the statutory financial statements	
Detailed profit and loss account	14
Notes to the detailed profit and loss account	15
Management balance sheet	186

STANDARDS VERIFICATION UK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2007

The board of directors	D Fraser S Mogel S M Brown M Allmond
Company secretary	H J Wood
Business address	36 Park Row Leeds West Yorkshire LS1 5JL
Registered office	36 Park Row Leeds West Yorkshire LS1 5JL
Auditor	Tenon Audit Limited Registered Auditor Clifton House Bunnian Place Basingstoke Hampshire RG21 7JE
Accountants	Tenon Limited Accountants & Business Advisers Clifton House Bunnian Place Basingstoke Hampshire RG21 7JE

STANDARDS VERIFICATION UK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2007

Chairman's Statement

Our first full twelve month trading period reflects a year where Standards Verification UK (SVUK) has grown and diversified its verification services. In England my Board has been pleased to support the FE workforce reform agenda through commissions both direct from the former DfES and from Lifelong Learning UK (LLUK). We have designed and delivered the selection process for Centres for Excellence in Teacher Training, and operated a Professional Recognition scheme for Skills for Life specialist teachers. We also welcomed the invitation from the Assembly Government in Wales to re introduce endorsement for post compulsory initial teacher training qualifications from higher education institutions in Wales.

These activities have been alongside the ongoing need to endorse initial teacher training qualifications for the learning and skills sector in England. It has been particularly important that we have upheld our commitment to providing expert, rigorous, supportive and user friendly services in a period of maintaining the requirements of existing regulations while preparing ourselves and the sector for significant change. The reports of our independent evaluators confirm that SVUK continues to meet this challenge in the way it conducts its business.

In response to this expanding portfolio SVUK has increased both its staff and consultant base over the year. The group award of Investor in People status to SVUK and LLUK acknowledges the importance of training and development to such growth. I am confident that we are continuing to build an effective organisation and an effective partner in the preparation of world class workforces in lifelong learning.

Professor Derek Fraser
Chairman

STANDARDS VERIFICATION UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2007

The directors present their report and the financial statements of the company for the year ended 31 March 2007.

Principal activities and business review

The principal activity of the company during the period was the endorsement and approval of teacher training.

The company was incorporated on 9 November 2004 and commenced trading on 1 January 2005.

Directors

The directors who served the company during the year were as follows:

Professor Derek Fraser (Chair)	appointed 21.01.2005
Sara Mogel	appointed 21.01.2005
Michael Allmond	appointed 12.05.2006
Sue Brown	appointed 06.03.2006.

SVUK is a fully owned subsidiary of Lifelong Learning UK. LLUK is a registered charity and company limited by guarantee. The directors of SVUK have no interest in the shares of the company.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

STANDARDS VERIFICATION UK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

The directors are responsible for keeping proper accounting records which 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 1985. 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, individually, are aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Donations

During the year the company made the following contributions:

	Year to 31 March 2007	<i>Period from 1 December 2005 to 31 March 2006</i>
	£	£
Charitable	94,556	-

Auditor

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors

D Fraser
Director

Approved by the directors on

STANDARDS VERIFICATION UK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
STANDARDS VERIFICATION UK LIMITED
YEAR ENDED 31 MARCH 2007

We have audited the financial statements of Standards Verification UK Limited on pages 9 to 14 for the year ended 31 March 2007. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

STANDARDS VERIFICATION UK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
STANDARDS VERIFICATION UK LIMITED *(continued)*
YEAR ENDED 31 MARCH 2007

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Tenon Audit Limited
Registered Auditor
Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

Date:-

STANDARDS VERIFICATION UK LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2007

	Note	Year to 31 Mar 07 £	<i>Period from 1 Dec 05 to 31 Mar 06 £</i>
Turnover		1,175,853	388,433
Cost of sales		(706,581)	(183,078)
Gross profit		<u>469,272</u>	<u>205,355</u>
Administrative expenses		(367,898)	(124,680)
Other operating income	2	–	7,189
Operating profit	3	<u>101,374</u>	<u>87,864</u>
Interest receivable		4,183	–
Profit on ordinary activities before taxation		<u>105,557</u>	<u>87,864</u>
Tax on profit on ordinary activities	4	–	–
Profit for the financial year		<u><u>105,557</u></u>	<u><u>87,864</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 14 form part of these financial statements.

STANDARDS VERIFICATION UK LIMITED

BALANCE SHEET

31 MARCH 2007

	Note	2007		2006	
		£	£	£	£
Current assets					
Debtors	5	179,111		202,275	
Cash at bank and in hand		352,112		39	
		<u>531,223</u>		<u>202,314</u>	
Creditors: Amounts falling due within one year	6	<u>(323,923)</u>		<u>(100,571)</u>	
Net current assets			<u>207,300</u>		<u>101,743</u>
Capital and reserves					
Called-up share capital	9		1,000		1,000
Profit and loss account	10		206,300		100,743
Shareholders' funds	11		<u>207,300</u>		<u>101,743</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors and authorised for issue on, and are signed on their behalf by:

D Fraser
Director

The notes on pages 11 to 14 form part of these financial statements.

STANDARDS VERIFICATION UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

1. Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Revenue is recognised when the company has fulfilled its obligations under the contract to which the revenue relates. Revenue received in advance or arrears is deferred and accrued as appropriate. Profit on contracts is not recognised until it is reasonably certain.

Pension costs

Retirement benefits to one employee of the company are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining working lifetime of members of the scheme after making allowances for further withdrawals. The contributions are determined by qualified actuaries on the basis of triennial valuations using quinquennial valuations using a prospective benefit method for TPS.

The company provides access to defined contribution schemes. The assets of these schemes are held separately from those of the company.

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

2. Other operating income

	Year to 31 Mar 07 £	<i>Period from 1 Dec 05 to 31 Mar 06 £</i>
Other operating income	—	<u>7,189</u>

3. Operating profit

Operating profit is stated after charging:

	Year to 31 Mar 07 £	<i>Period from 1 Dec 05 to 31 Mar 06 £</i>
Staff pension contributions	3,697	1,335
Auditor's fees	<u>2,350</u>	<u>3,500</u>

STANDARDS VERIFICATION UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

4. Taxation on ordinary activities

All taxable profits are gifted to the parent charitable company, Lifelong Learning UK Ltd and therefore no provision has been made for corporation tax in these financial statements.

5. Debtors

	2007	2006
	£	£
Trade debtors	160,872	1,470
Amounts owed by group undertakings	–	200,605
Other debtors	18,239	200
	<u>179,111</u>	<u>202,275</u>

6. Creditors: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	69,573	50,739
Amounts owed to group undertakings	9,631	–
Other taxation and social security	17,061	11,907
Other creditors	227,658	37,925
	<u>323,923</u>	<u>100,571</u>

STANDARDS VERIFICATION UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

7. Pension costs

During the year the Company contributed £13,758 (2006 £4,468) to pension schemes. At the period end £2,105 (2006 £6,046) of unpaid contributions were included in creditors.

8. Related party transactions

The company has taken advantage of the exemptions in FRS 8 not required to disclose transactions with its parent, Lifelong Learning UK, on the basis that this company prepares consolidated accounts which are publicly available.

9. Share capital

Authorised share capital:

	2007	<i>2006</i>
	£	<i>£</i>
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007		<i>2006</i>	
	No	£	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

STANDARDS VERIFICATION UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

10. Profit and loss account

	Year to 31 Mar 07 £	<i>Period from 1 Dec 05 to 31 Mar 06 £</i>
Balance brought forward	100,743	12,879
Profit for the financial year	105,557	87,864
Balance carried forward	<u>206,300</u>	<u>100,743</u>

11. Reconciliation of movements in shareholders' funds

	2007 £	<i>2006 £</i>
Profit for the financial year	105,557	87,864
Opening shareholders' funds	101,743	13,879
Closing shareholders' funds	<u>207,300</u>	<u>101,743</u>

12. Ultimate Parent Company and Controlling Party

The company is controlled by the directors of Lifelong Learning UK, which owns 100% of the issued share capital of the company.

STANDARDS VERIFICATION UK LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2007

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 7 to 8.

STANDARDS VERIFICATION UK LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2007

	Year to 31 Mar 07 £	<i>Period from 1 Dec 05 to 31 Mar 06 £</i>
Turnover	1,175,853	388,433
Cost of sales		
Direct costs	706,581	183,078
Gross profit	469,272	205,355
Overheads		
Administrative expenses	(367,898)	(124,680)
	101,374	80,675
Other operating income		
Other operating income	—	7,189
Operating profit	101,374	87,864
Bank interest receivable	4,183	—
Profit on ordinary activities	<u>105,557</u>	<u>87,864</u>

STANDARDS VERIFICATION UK LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2007

	Year to		<i>Period from</i>	
	31 Mar 07		<i>1 Dec 05 to</i>	
	£	£	£	£
Administrative expenses				
Personnel costs				
Wages and salaries	73,043		14	
Staff pension contributions	3,697		1,335	
		76,740		1,349
Establishment expenses				
Repairs and maintenance	-		21	
Other establishment expenses	-		275	
		-		296
General expenses				
Travel and subsistence	16,197		1,127	
Telephone	3,598		147	
Office expenses	-		441	
Equipment repairs and renewals	-		(1,813)	
Printing	-		(712)	
Printing, stationery and postage	11,629		567	
Staff training	75		1,305	
Other staff related expenses	-		30	
Sundry expenses	-		36	
Laundry and cleaning	-		396	
Charitable donations	94,556		-	
General expenses	2,305		63	
Advertising	8,063		-	
Meeting costs	6,022		2,672	
Management charges payable	139,249		118,350	
Legal and professional fees	-		30	
Recruitment	7,114		396	
Auditors remuneration	2,350		-	
		291,158		123,035
		367,898		124,680
Interest receivable				
Bank interest receivable		4,183		-

STANDARDS VERIFICATION UK LIMITED

MANAGEMENT BALANCE SHEET

31 MARCH 2007

	2007		2006	
	£	£	£	£
Current assets				
Trade debtors	160,872		1,470	
Amounts owed by group undertakings	–		200,605	
Prepayments and accrued income	18,239		200	
Cash at bank and in hand	352,112		39	
	<u>531,223</u>		<u>202,314</u>	
Creditors: Amounts falling due within one year				
Trade creditors	69,573		50,739	
Amounts owed to group undertakings	9,631		–	
PAYE & NI	15,947		6,235	
VAT liability	1,114		5,672	
Accruals and deferred income	227,658		37,925	
	<u>323,923</u>		<u>100,571</u>	
Net current assets		207,300		101,743
Total assets less current liabilities		<u>207,300</u>		<u>101,743</u>
Net assets		<u>207,300</u>		<u>101,743</u>
Capital and reserves				
Called up share capital		1,000		1,000
Profit and loss account		206,300		100,743
		<u>207,300</u>		<u>101,743</u>