

WORKING VENTURES UK

A COMPANY LIMITED BY GUARANTEE
AND NON-DEPARTMENTAL PUBLIC BODY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2009

Company No. 5770846

Financial Statements presented to the Parliament by the Secretary of State for Work and Pensions in pursuance of The Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009.

Ordered by the House of Commons to be printed 20 July 2009.

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WORKING VENTURES UK
(Limited by Guarantee)

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WORKING VENTURES UK
(Limited by Guarantee)

COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2009

Company No.	5770846
Registered Office	4 More London Riverside London SE1 2AU
Principal Address	4 th Floor, The Adelphi 1-11 John Adam Street London WC2H 6HT
Members of Board of Directors	M Beasley CBE (appointed 6.09.06) (1) J B Fairbairn OBE (appointed 4.07.06) (1), (2) D J Fillingham CBE (appointed 4.07.06) (2) I Scott (appointed 6.09.06) (resigned 15.07.08) (1), (2) A Walker MBE (appointed 16.09.08) (1) M Baker-Woods (appointed 16.09.08) H H Dugdale (appointed 4.07.06) N Turner (appointed 5.09.07)
Members of Sub Committees	(1) denotes membership of Audit and Finance Committee (2) denotes membership of Staff and Remuneration Committee
Company Secretaries	Lawrence Graham LLP (appointed 5.04.06) Jan Quirke (appointed 4.02.08) (resigned 14.02.09)
Chief Executive Officer	Hilary Dugdale (appointed 1.04.08)
Bankers	Lloyds TSB Bank plc 3 rd Floor, 25 Gresham Street London EC2V 7HN
Auditor	The Comptroller and Auditor General National Audit Office 151 Buckingham Palace Road Victoria London SW1W 9SP
Legal Advisors	Lawrence Graham LLP 4 More London Riverside London SE1 2AU

**WORKING VENTURES UK
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DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 2009

The Directors present their report for the year ended 31 March 2009. The Directors confirm that the annual report and financial statements comply with the current statutory requirements and the requirements of the company's governing document.

STATUS OF THE COMPANY

National Employment Panel Limited began trading on 1 December 2006. The company came into being as a result of the decision to establish a separate identity for the National Employment Panel's operational arm. The company was incorporated on 5 April 2006 and changed its name to Working Ventures UK on 29 June 2007.

Working Ventures UK (WVUK) is a not for profit company limited by guarantee without share capital, incorporated under the Companies Act 1985. The guarantee is limited to a contribution of £1 in the event of the company being wound up. The company's governing document is its Memorandum and Articles of Association. The company is also an executive Non-Departmental Public Body (NDPB) sponsored by the Department for Work and Pensions (DWP). It sits part way between the public sector and the world of business. It receives a grant-in-aid from DWP but receives significant support in its activities from the network of employers.

RISKS AND UNCERTAINTIES

Consistent with policy towards the simplification and integration of the employment and skills system, DWP intends to withdraw NDPB status and cease funding for WVUK with effect from 2 October 2009. In the intervening period, the company is concentrating its efforts on ensuring that its activities at the sub-national level are integrated into developing local structures for the articulation of employer demand for employment and skills.

GOING CONCERN

In accordance with their responsibilities as Directors, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The Department for Work and Pensions have committed to fund WVUK activities until 2 October 2009, consistent with policy towards integration of the employment and skills system and integration of the employer network.

PRINCIPAL ACTIVITIES

Over the last ten years Government has invested in developing local employer leadership and engagement in employment and skills partnerships through WVUK and its Employer Coalition network. WVUK is an NDPB with an employer led Board sponsored and primarily funded by DWP. This investment is matched by significant in-kind and financial support from employers, RDAs and local authorities. This year DIUS and the Ministry of Justice have also invested in one of our key projects.

**WORKING VENTURES UK
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DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 2009

WVUK's mission is:

'To unlock employers' expertise, energy and resource to:

- *meet employers' needs;*
- *up skill and recruit individuals, particularly people disadvantaged in the labour market; and*
- *enhance the employment and skills systems.*

WVUK delivers its mission through:

- a core group of ten local Employer Coalitions¹ in England and Scotland; and
- support for employers in leadership roles in local employment and skills partnerships.

Employer Coalition Boards comprise typically 12-15 business leaders and 3-4 senior representatives of public sector agencies (Jobcentre Plus, Learning and Skills Council and, in England, Regional Development Agency). All Coalitions have a wider network of employers with which they work on a regular basis. The total size of our active network is 1700 employers.

The Employer Coalition locations were agreed with Government on the basis of: high employer demand; high volumes of worklessness; and local political and employer commitment.

EMPLOYER COALITIONS

Employer Coalitions add value in two key ways:

- Drawing in additional employers - to create access to a wider range/more job and skills development opportunities for people disadvantaged in the labour market
- Delivering employer advice and support - to improve the employment and skills delivery systems

DRAWING IN ADDITIONAL EMPLOYERS

We engage employers that are not currently always working effectively with our public sector partners and:

- Offer jobs with prospects
- Are willing to invest in their people
- Are keen to try new ways of upskilling and recruiting without compromising their standards
- Are committed to diversity and equality

¹ Derbyshire; Highland; Glasgow, Greater Manchester, London, Merseyside, North East England; South Yorkshire, West Midlands; West Yorkshire.

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DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 2009

IMPROVING THE EMPLOYMENT AND SKILLS DELIVERY SYSTEMS

We help improve employment and skills delivery systems by:

- *Articulating employer demand* – helping the system understand what it needs to do in order to work successfully with employers, and channelling the voice of the employer to challenge the system to improve its performance
- *Capacity building* - supporting providers and front line staff in developing their knowledge of employers' requirements and in marketing, designing and delivering services to meet their needs.
- *Providing a 'testing ground' for new Government initiatives* - supporting the set up of new programmes and being the first to trial new services
- *Developing new ways of working* – creating new partnerships and new approaches with employers and public sector partners
- *Providing governance support* – bringing a focus on the overall functioning of the labour market to multi-agency partnerships rather than a single policy strand, pressure or 'commercial' interest. This can be provided at city, sub-regional or regional level.

OUR PROJECTS AND PARTNERSHIPS OUTSIDE EMPLOYER COALITION AREAS

Our central and Employer Coalition teams also support employment and skills partnerships and providers outside of our core areas. Examples include:

- Construction Employment Integrator – which offers a comprehensive approach to co-ordinate labour forecasting, local authority planning and developer procurement processes together with public sector training and job placement services.
- Exit to Work – this programme, which closed in the last financial year, trialled new approaches to helping employers recruit and retain ex-offenders in six cities, many of which have been more widely adopted. These include: additional support for employers in the recruitment process and post placement support as well as employer engagement in the design of prison training and workshop facilities.
- One to one Partnership Support – including the appointment of employer chairs and members, developing terms of reference, employer network development and management, development of sector based initiatives
- Programme for Change – a capacity building programme for training providers which supports them in developing their organisation and staff to design and deliver employer demand led services.

FINANCIAL RESULTS

The company's results are summarised on page 17. Grant in aid is treated as financing and is taken direct to core funds reserves as opposed to being recognised as income. Accordingly, the deficit for the year before accounting for grant in aid is £4,496,749 (2007/8: £5,201,606). Net interest receivable of £6,908 (2007/08: £27,926) has been received and has been taken to the corporate funds reserve.

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DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 2009

DIRECTORS AND THEIR INTERESTS

The Board of Directors consists of a minimum of seven and a maximum of ten individuals at any given time, all of whom must be members of the company. Mike Beasley CBE, was appointed Chair on 1 March 2007. Mike Beasley is also Chair of MIRA, Chair of the West Midlands Employer Coalition, Chair of the West Midlands Regional Skills Partnership, a Board Member of the West Midlands LSC, a Governor of Coventry University and Board Member of the Qualifications and Curriculum Authority. He is a Non-Executive Director of Magal Engineering and an Adviser to Plastic Omnium Operations in the UK. Other members of the WVUK Board who served during the year are:

Board Non-executives :

- Jim Fairbairn, CBE, Chief Executive, Clyde Materials Handling Limited
- David Fillingham CBE, Chief Executive, Bolton Hospital NHS Trust
- Alan Walker MBE, Financial Controller, Jaguar Cars Limited (appointed 16 September 2008)
- Nick Turner, Partner, Monitor Group, Board member London Skills & Employment Board

Board Executives :

- Hilary Dugdale, Chief Executive (appointed 1 April 2008).
- Maddie Baker-Woods, Deputy Chief Executive (appointed 16 September 2008)

As the company has no share capital there are no Directors' share interests to be disclosed.

EQUALITY

Equal treatment - promoting inclusivity and valuing diversity – underpins WVUK's core values. We are committed to the principle of equality of opportunity for all staff and stakeholders and to providing an environment where respect is shown to all and where individual employees and stakeholders are valued and supported in achieving their full potential. WVUK is opposed to any form of unfair discrimination and believes that an inclusive approach benefits all and enables everyone to contribute appropriately to our society.

WVUK embraces the spirit of all equalities legislation and codes of practice, ensures that all its policies and practices meet the requirement and intent of all relevant legislation and is committed to developing policies, practices and procedures which actively promote equality of opportunity and maximise the abilities, skills, and experience of staff, and stakeholders of WVUK.

We seek to make WVUK an inclusive place to work and welcome applications from all sections of the community and from people at all stages of their life. Decisions related to the recruitment, employment, training, progression and retention of staff are governed by the principles of equality of opportunity. All applicants to and members of the WVUK community will be treated equally regardless of disability, gender, the nature of close relationships, caring responsibilities, age, race, colour, nationality, ethnic origin, religion or belief, sexual orientation, membership of or activity in a trade union, and spent offences where not relevant to the workplace.

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DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 2009

EQUAL OPPORTUNITIES

Our aim is that all employees work in an environment free from discrimination, harassment and bullying and that all employees, job applicants, and customers are treated fairly regardless of:

- Race, colour, nationality, ethnic or community background
- Gender, sexual orientation, marital or family status
- Religious or political beliefs and affiliations
- Disability or age
- Membership or non membership of a Trade Union

DEVELOPMENT

We seek to provide learning and development opportunities for all our staff through personal development, training programmes and learning networks. Our people development strategy ensures that staff have fulfilling roles aligned to organisational objectives.

EMPLOYEE ENGAGEMENT

We encourage employee engagement through various means including internal newsletters, team meetings held by line managers, briefings held by senior managers, and regular dialogue with the Working Ventures Employee Representative Council (WVEC).

EMPLOYEE INFORMATION

Each member of staff has their performance against agreed objectives appraised during the year and finally at the year end. An integral part of this review requires the identification of training needs and the development of a training programme to address those needs. Staff are helped to pursue studies which will support their career development and benefit the company through their improved performance.

Individual reviews and group communication meetings are held frequently during the year and WVUK has an established Employee Representative Council (WVEC) which meets regularly to discuss key strategic and operational issues and meets the legislative requirements for information and consultation.

Our effectiveness as an organisation is heavily dependent on the involvement of our Coalition members and staff. The employer members of the Coalitions are all volunteers who give their time and expertise freely.

CREDITORS

WVUK adheres to the Department for Work and Pensions standards for settling accounts and is working towards HM Treasury Guidelines. The company aims to collect receipts and pay all properly authorised invoices in accordance with the terms of the relevant contract or, in any event, within 30 days.

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DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 2009

AUDITORS

The Government Resource Accounts Act (Audit of Non-profit making companies) Order 2009 appointed the Comptroller and Auditor General to audit the accounts of Working Ventures UK. The Order applies to accounts prepared for the financial years commencing on or after 1 April 2008.

AWARENESS OF RELEVANT AUDIT INFORMATION

So far as each of the Directors is aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the auditors are unaware and they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'Mike Beasley', with a long horizontal line extending to the right.

MIKE BEASLEY

Chair

Date 14th July 2009

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REMUNERATION REPORT

The Staff and Remuneration Committee is responsible for reviewing all aspects of the remuneration and employment conditions of staff.

The remuneration of all staff is reviewed annually in July. The company's pay and reward system is entirely merit based and pay is matched to comparable organisations in the not for profit sector. WVUK has implemented a performance management system, the key principles of which are to provide a balanced set of measures to motivate and retain employees without relying solely on monetary reward.

DIRECTORS' REMUNERATION

During the financial year ended 31 March 2009 the following payments were made to Directors:

Executives	2008/09 Pay	2008/09 Pension	2007/08 Pay	2007/08 Pension
Hilary Dugdale (Chief Executive) (from 01.04.08)	£70,072	£14,661	£62,107	£14,358
Maddie Baker-Woods (Deputy Chief Executive) (from 16.09.08)	£91,456	None	None	None
Cay Stratton (Chief Executive) (to 31.03.08)	None	None	£128,374	£11,516
Non-executives	None	None	None	None

During the period a performance bonus of £705 was paid to Hilary Dugdale under the DWP Civil Servants Incentive Plan for the period 2007/08 and a performance bonus of £5,500 was paid to Maddie Baker-Woods under the rules of the WVUK Employee Incentive Plan for the period 2007/08 in her role as Director of Policy and Development in the National Employment Panel. The bonus sums are included in the pay figures shown above.

The Chief Executive is seconded from DWP. The secondment arrangement and pay is subject to review. Salary and contributions into the Civil Service pension scheme are paid by DWP and charged back to WVUK. As WVUK is not liable for CETV, disclosure notes have not been provided relating to the Chief Executive as a DWP Employee.



Hilary Dugdale
Chief Executive and Accounting Officer

Date: 14th July 2009

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES

UK company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the balance sheet date, and of its income and expenditure, recognised gains and losses and cash flow for the financial year. In preparing those 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 accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.
- Consistent with policy towards the simplification and integration of the employment and skills system, DWP will withdraw NDPB status and cease funding for WVUK with effect from 2 October 2009. In the intervening period (April-September 2009), the company is concentrating its efforts on ensuring that its activities at the sub-national level are integrated into developing local structures for the articulation of employer demand for employment and skills from 1 October 2009 and financial statements will be prepared on a going concern basis for this six month period.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the company and to 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.

The Department for Work and Pension's Principal Accounting Officer has designated the Chief Executive as Accounting Officer of Working Ventures UK. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Working Ventures UK's assets, are set out in the Accounting Officer's Memorandum issued by the Department.

ON BEHALF OF THE BOARD



MIKE BEASLEY

Chair

Date 14th July 2009

**WORKING VENTURES UK
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STATEMENT OF INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Working Ventures UK's aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

I provide overall financial leadership to WVUK and the effective and efficient management of public resources. I have responsibility for the overall organisation, management and staffing of WVUK and for procedures in financial and other matters. I ensure that financial considerations and key risks are fully taken into account in decisions on policy proposals. Regular reporting meetings are held between WVUK senior officers and officers from DWP, our sponsoring Department.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Working Ventures UK during the year to 31 March 2009 and accords with Treasury guidance.

CAPACITY TO HANDLE RISK

Working Ventures UK operates a number of control mechanisms to identify risk, assess the likelihood and impact of risk, and take action to mitigate and minimise the effects. These have been formalised by the creation and adoption of a comprehensive Risk Register.

Leadership on WVUK risks is provided by the Board, supported by the central team and challenged by the Audit and Finance Committee. The strategic risk register has been signed off by the Board; and risk is built into the planning process and reflected in policy decisions.

The Department for Work and Pensions, through the Management Statement, has provided an internal audit service for the company, reporting to the Audit Committee.

THE RISK AND CONTROL FRAMEWORK

A structured methodology has been implemented to identify and assess risk and risk owners have been nominated. Risks are rated and prioritised. Board oversight of this process ensures that management focus remains on the most significant risks. The Audit and Finance Committee provide

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STATEMENT OF INTERNAL CONTROL

a challenge to the information contained in the risk register to help ensure that the right risks have been captured and are being managed effectively.

Much of the practical accounting functions have been outsourced to Kingston Smith LLP, a firm of Chartered Accountants with a number of public sector clients. From source documents they have responsibility for processing costs to agreed account codes, and accounting for grant-in-aid receipts. All payments are made in conjunction with them, with the company providing authorisation from only two senior managers, thereby reducing risks of fraud and financial loss.

The company operates a comprehensive regime of delegated financial authorities, approvals and limits which regulate the planning and commitment of funds. These are checked within the Finance Department for compliance, and the results scrutinised by company senior managers. The Finance Department is headed by a qualified accountant, and a relevant training plan has been agreed for each individual concerned with financial and related matters.

Effective measures are in place to ensure the effectiveness of security controls to protect WVUK's information assets. The company manages its Information Security and Data Protection risks in accordance with the HMG Security Policy Framework (December 2008), the law and relevant policies and guidance issued by the Department for Work and Pensions. Policies on Information Risk Management, Data Protection and Information Security and Electronic Communications are in place. Compliance with these policies and related DWP Policy across the organisation is audited regularly by the Communications Manager who acts as the Senior Information Risk Officer for the organisation and reports to the Audit and Finance Committee on a six-monthly basis. Designated Information Asset Owners are responsible for ensuring that both current staff and new staff are aware of and understand WVUK's policies on Information Security and Data Protection. All data including staff personal data is held securely and in accordance with security standards. The Communications Manager has a summary of types data held, where it is held and how it is secured within each office location. New starters are briefed on Information Security during their induction and all WVUK staff have a clause within their employment contract which outlines their obligations under the relevant legislation.

REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the executive managers within the company who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports and discussions. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Finance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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STATEMENT OF INTERNAL CONTROL

In the period 1 April 2008 to 31 March 2009 the Board met 6 times and the Audit and Finance Committee met 4 times. A range of financial and risk matters have been discussed, and I have followed up on any areas where I considered it relevant to my responsibilities as Accounting Officer.

Internal audit reports from DWP's Risk Assurance Division had assessed the Company's Governance arrangements and Financial controls in relation to Project Appraisal, Target Setting and Performance Reporting, Compliance with IFRS and Information Security. Their audit findings recorded reasonable assurance in these areas.

SIGNIFICANT CONTROL ISSUES

As disclosed in the Directors' Report, WVUK is in the process of winding down. As a relatively small organisation, WVUK can expect to encounter issues with segregation of duties. Additional controls have been implemented at a corporate level in order to address this, including additional review and staged sign off of HR, Operational and Finance processes and a regular review of this risk.

As Accounting Officer, following an evaluation of WVUK's systems of internal control, I consider that no other significant control weaknesses exist within WVUK.



Hilary Dugdale
Chief Executive and Accounting Officer

Date: 14th July 2009

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THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE
MEMBERS OF WORKING VENTURES UK

I certify that I have audited the financial statements of the Working Ventures UK for the year ended 31 March 2009 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and auditor

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Directors' Responsibilities.

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

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I report to you whether, in my opinion, the information given in the Directors' Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Director's Report and the unaudited part of the Remuneration report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

In my 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 2009 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and the part of the remuneration report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' Report is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

*Amyas C E Morse
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS*

Date: 16th July 2009

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Note	Core Funds £	Corporate Funds £	Year ended 31 Mar 2009 Total £	Year ended 31 Mar 2008 £
INCOME	2	1,855,765	-	1,855,765	401,640
		<u>1,855,765</u>	<u>-</u>	<u>1,855,765</u>	<u>401,640</u>
EXPENDITURE					
Direct project costs	3	2,338,639	-	2,338,639	1,415,103
Administration costs	4	4,020,783	-	4,020,783	4,216,069
		<u>6,359,422</u>	<u>-</u>	<u>6,359,422</u>	<u>5,631,172</u>
NET OPERATING DEFICIT		(4,503,657)		(4,503,657)	(5,229,532)
Interest receivable	-		6,908	6,908	27,926
NET DEFICIT BEFORE TAXATION		(4,503,657)	6,908	(4,496,749)	(5,201,606)
Taxation	8	-	-	-	-
DEFICIT FOR THE YEAR	13	(4,503,657)	6,908	(4,496,749)	(5,201,606)
		=====	=====	=====	=====

All of the company's activities derived from continuing operations in the financial year.

**STATEMENT OF RECOGNISED GAINS
AND LOSSES**

All gains and losses arising in the year are included in the Income and Expenditure Account.

The notes on pages 20 to 27 form part of these financial statements.

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BALANCE SHEET AS AT 31 MARCH 2009

	Note	31 March 2009 £	31 March 2008 £
Current Assets			
Debtors	9	397,877	403,413
Cash at bank and in hand		912,385	890,008
		<u>1,310,262</u>	<u>1,293,421</u>
Creditors:			
Amounts falling due within one year	10	(2,214,272)	(1,700,682)
Net current liabilities		<u>(904,010)</u>	<u>(407,261)</u>
Total assets less current liabilities/net liabilities		(904,010)	(407,261)
		=====	=====
Funds			
Core	13	(943,835)	(440,178)
Corporate	13	39,825	32,917
		<u>(904,010)</u>	<u>(407,261)</u>
		=====	=====

The financial statements on pages 17 to 27 were approved by the Board of Directors on 1st July 2009 and signed on their behalf by:



Mike Beasley
Chair

The notes on pages 20 to 27 form part of these financial statements.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Notes	Year ended 31 Mar 2009 £	Year ended 31 Mar 2008 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(a)	(3,984,531)	(4,472,977)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received		6,908	27,926
FINANCING		4,000,000	3,806,500
NET CASH INFLOW (OUTFLOW)	(b)	22,377 =====	(638,551) =====

NOTES TO THE CASH FLOW STATEMENT

(a)	RECONCILIATION OF NET OPERATING DEFICIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2008/09 £	2007/08 £
	Operating deficit	(4,503,657)	(5,229,532)
	Decrease in debtors	5,536	230,406
	Increase in creditors	513,590	526,149
	NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(3,984,531) =====	(4,472,977) =====
(b)	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET LIQUID FUNDS	2008/09 £	2007/08 £
	Increase/(decrease) in cash at bank and in hand in the year	22,377	(638,551)
	Cash at 1 April 2008	890,008	1,528,559
	Cash at 31 March 2009	912,385 =====	890,008 =====

The notes on pages 20 to 27 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with applicable UK accounting standards, the Companies Act 1985 requirements, and the accounting and disclosure requirements given in H.M. Treasury's Financial Reporting Manual ("FReM") in so far as these are consistent with the requirements of the Companies Act. In addition, the financial statements are prepared under the historical cost convention on a going concern basis. The company's principal accounting policies are set out below.

Fixed Assets

WVUK's capitalisation threshold is between £1,000 - £25,000 and subject to economic life of any asset. Any fixed asset purchased will be accounted on a straight line basis on a useful life of more than a year. Computer hardware and software with an economic life of 2 years or more are classified as assets. Furniture and fixtures valued at £1,000 or more with useful life of 3 years or more are classified as assets. WVUK does not have fixed assets on its books as at 31 March 2009.

Leasing

Rentals payable under operating leases are charged on a straight line basis over the terms of the lease. WVUK has not entered into any finance lease agreements.

Pension costs

Contributions payable by the company to the company's defined contribution pension scheme are charged to the income and expenditure account in the period to which they relate.

Grants

The company receives grant-in-aid from the Department for Work and Pensions to fund the company's activities. Grant-in-aid received from DWP for revenue purposes is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of the company and hence is accounted for as financing i.e. credited directly to the reserves.

Other Income

Other income is at the full value of the consideration received or receivable and is represented net of VAT.

VAT

Income and expenditure are shown net of VAT where applicable. Irrecoverable VAT is charged to the relevant expenditure category.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Employee Leave

Provision for holiday costs is made at the year end, to account for leave carried over for the financial year of untaken days which the company has obligation to make a payment in lieu.

Redundancy Costs

Redundancy provisions are recognised when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outcome of economic benefit from the company will be required to settle that obligation. In line with the requirements of FRS 25, redundancy costs have been recognised as a financial instrument due within one year.

Financial Instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when it becomes party to the contractual provisions of the instrument. They are derecognised when the right to receive cash flows has expired or all the risks and rewards of ownership or control of the asset has transferred substantially. The classification of financial assets and liabilities is determined at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. Loans and receivables are initially recognised at fair value and subsequently held at amortised cost. The fair value of trade and other receivables is usually the original invoiced amount. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, in an arms-length transaction between knowledgeable willing parties. Where the classification of a financial instrument requires it to be stated at fair value, fair value is determined using expected cash flows discounted back to a present value.

Cash at bank and in hand comprises cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Financial liabilities comprise accruals and other creditors; these are carried at amortised cost.

Impairments

It is assessed at each balance sheet date whether there is objective evidence that financial assets are impaired as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the balance sheet date and whether such events have had an impact on the estimated future cash flows of the financial instrument and can be reliably estimated. Impairment losses on monetary items are recognised in the Income and Expenditure account.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

2. Income

	2008/09	2007/08
	£	£
Other funding	91,580	64,803
WVUK secondees recharge	97,893	134,375
DIUS and MOJ Grant*	500,000	-
LSC and LDA Grant**	714,261	123,751
Partnership contributions	452,031	78,711
	<u>1,855,765</u>	<u>401,640</u>
	=====	=====

*Funding from Department of Innovation, University and Skills & Ministry of Justice for the Ex-offender project.

** Funding from Learning Skills Council & London Development Agency for London employer accord for 2012. Other funding is from various organisations for national projects.

3. Direct project costs

	2008/09	2007/08
Project staff costs	567,510	337,354
Events	484,828	313,581
Consultancy and development	387,776	201,991
Provider training	428,637	190,528
Other project costs	469,888	371,649
	<u>2,338,639</u>	<u>1,415,103</u>
	=====	=====

4. Administration Costs

	2008/09	2007/08
Staff costs	2,691,447	2,813,412
NEP Staff costs	-	531,501
Travel and hospitality	156,875	154,900
Establishment costs	453,645	146,122
Marketing and promotional	131,932	155,861
Professional costs	151,430	273,712
Staff training and recruitment	189,352	11,872
Other administration costs	246,102	128,689
	<u>4,020,783</u>	<u>4,216,069</u>
	=====	=====

WORKING VENTURES UK
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

5. Net deficit before taxation

The deficit before taxation is stated after charging:

	2008/09	2007/08
	£	£
Staff costs (Note 6)	3,258,957	3,589,447
External Auditors		
Statutory audit	12,500	11,874
Advice on IFRS restatement exercise	1,250	-
Additional audit costs on LDA funding	4,778	-
	=====	=====

6. Staff costs

	2008/09	2007/08
	£	£
Salaries	2,134,265	2,075,994
Pension costs	129,629	99,246
DWP secondee and agency staff	995,063	519,778
Other secondee staff	-	894,429
	-----	-----
	3,258,957	3,589,447
	=====	=====

Staff costs for 2008/09 relates to the full year and WVUK is no longer the host employer for NEP and Fair cities.

	2008/09	2007/08
	Number	Number
The average number of persons employed by the company during the period was as follows:		
Management and executive directors	8	8
Coalition activities and non-executive directors	37	41
Secondee in	12	12
Agency Staff	2	1
	-----	-----
	59	62
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

7. Directors' emoluments

	2008/09	2007/08
Emoluments in respect of two executive directors	£	£
Salaries	161,528	190,481
Pension contributions	14,661	25,874
	<u>176,189</u>	<u>216,355</u>
	=====	=====

Pension contributions are in respect of one director employed by DWP and seconded to WVUK. Pay and pension contributions are re-charged to WVUK by DWP.

8. Taxation

The company has exemption under Section 505(1) Income & Corporation Taxes Act 1988 from Corporation Tax.

9. Debtors

	31 March 2009	31 March 2008
<i>Due within one year</i>	£	£
Trade debtors	96,680	286,853
Department for Work and Pensions	47,995	-
Other debtors	172,459	72,326
Prepayments and accrued income	80,743	44,234
	<u>397,877</u>	<u>403,413</u>
	=====	=====

10. Creditors

	31 March 2009	31 March 2008
<i>Due within one year</i>	£	£
Trade creditors	651,432	387,246
Department for Work and Pensions	321,501	89,661
Other creditors including taxation and social security	105,474	299,800
Accruals and deferred income	1,135,865	923,975
	<u>2,214,272</u>	<u>1,700,682</u>
	=====	=====

Deferred income is funding raised for specific projects, regional and national from external organisations.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

11. Share Capital

The company is a company limited by guarantee. The members of the company are the Directors shown in the Directors' Report. In the event of the company being wound up, the liability of the guarantee is limited to £1 per member of the company.

12. Pension commitments

The company operates a defined contributions pension scheme for the majority of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The company contributes to the individual personal pension plans for its employees. The pension cost charge in the accounts represents contributions payable by the company to these funds and amounted to £129,629 (2007/08: £99,246). There were £18,407 (2007/08: £20,339) contributions outstanding at the year end.

13. Funds

	Core Funds	Corporate Funds	2008/09 Total Fund Balances	2007/08 Total Fund Balances
	£	£	£	£
Income in the year	1,855,765	6,908	1,862,673	429,566
Expenditure in the year	(6,359,422)	-	(6,359,422)	(5,631,172)
	<u>(4,503,657)</u>	<u>6,908</u>	<u>(4,496,749)</u>	<u>(5,201,606)</u>
Grant in aid from the Department for Works and Pensions	4,000,000	-	4,000,000	3,806,500
	<u>(503,657)</u>	<u>6,908</u>	<u>(496,749)</u>	<u>(1,395,106)</u>
Balance brought forward	(440,178)	32,917	(407,261)	987,845
Balance carried forward	(943,835)	39,825	(904,010)	(407,261)
	=====	=====	=====	=====

Grant in aid received from a controlling party (DWP) is to be taken directly to reserves. The allocated grant in aid for the period was £5,000,000 of which £4,000,000 received, and nil balance is carried forward to 2009/10.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

14. Related party transaction

Funding of £4,000,000 grant in aid was received from the Department for Work and Pensions, of which at 31 March 2009, DWP is a creditor for £321,501 in relation to office accommodation and secondee costs (2008, £89,661). Grant funding of £300,000 was received from Department of Innovation, University and Skills and £200,000 from Ministry of Justice for the ex-offender project. In addition grant funding was received from London Development Agency of £550,000 and £164,261 from Learning Skill Council for the London Employer Accord.

Expense payments of £3,220 were made to the Board of Directors (of which 5 are non executives and two executives) in relation to WVUK business.

15. Operating lease commitments

Any premises occupied by the company are rented or subject to a short-term licence/services agreement. WVUK has operating commitments, all falling due within one year of £194,978 to the end of September 2009 (2007/8: £143,171). This arrangement aligns to Grant in aid funding allocation by DWP on an annual basis and the commitments have notice period between 1 – 3 months. All commitments are reviewed on a quarterly or annual basis, along with budget allocation until October 2009.

16. Financial Instruments

Financial instruments comprise principally of cash and various other items that arise directly from its operations such as trade debtors, fees in advance and other creditors. WVUK manages liquidity risk such that income is generated sufficient to meet expenditure on ongoing activities.

Foreign currency risk

WVUK has no exposure to foreign currency risk arising from activities undertaken.

Financial rate risk profile of financial assets and financial liabilities

The only financial asset held by WVUK other than debtors is its cash balance.

Financial liabilities

The only significant liabilities held by WVUK, other than short term creditors and fees in advance, were the grants received but not employed from the Department for Work and Pensions.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

17. Post Balance Sheet events

DWP provided formal notice on 2 April 2009 of its intention to withdraw NDPB status and cease funding for WVUK effective from 2 October 2009. WVUK's five corporate employees will be made redundant on the closure of the organisation. The current estimate of redundancy costs is £53,000 and this figure is included in the accruals figure in current liabilities.

DWP has provided assurance of funding to appropriate local partners for the localisation of the Coalition network to 31 March 2010.



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