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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

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**COMPANY INFORMATION**

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<b>Directors</b>	C Hodgson CBE S Holliday Dame J Cleverdon B Lightman M Isap J Yarham D Baldwin Baroness N Morgan E Beale O De Botton
<b>Company secretary</b>	E Kingsley
<b>Registered number</b>	09432724
<b>Registered office</b>	120 Aldersgate Street London England EC1A 4JQ
<b>Independent auditor</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

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**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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## **Introduction**

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

## **Business Review**

Careers Education is improving across England. Through CEC's digital tools, schools and colleges are reporting progress across the 8 Gatsby Benchmarks of best practice in all parts of the country. Some of the strongest performance is in areas with high levels of economically disadvantaged young people. Where schools and colleges are part of a Careers Hubs they report faster progress and performance. See Trends in Careers for more information.

### **1. Building Networks**

- Schools and colleges continue to report progress against the Gatsby Benchmarks nationally.
- Performance is accelerated in Careers Hubs, with 3,301 (66%) schools and colleges now part of their local Careers Hub. Schools and colleges in the first wave of Career Hubs have improved the most, achieving on average 5.3 of the 8 Gatsby Benchmarks by the end of March 2022, up from 2.5 at the end of March 2018.
- The goal is now to roll out Careers Hubs across England and so drive up performance across the whole careers education system. Wave one hubs are performing at almost twice the rate of schools and colleges outside our network.
- Engagement with the CEC (Careers Hubs, use of Compass+ digital tool and Careers Leader training) is highest in mainstream secondary schools serving the most disadvantaged quartile of students. These schools are reporting stronger performance compared to schools serving more advantaged young people.
- More than 3,528 business professionals are volunteering as Enterprise Advisers and are partnered with schools and colleges.
- 395 businesses have become Cornerstone Employers, signing up to work with Hubs to provide more opportunities to schools and colleges in their area.

### **2. Supporting Careers Leaders**

- A motivated and engaged workforce of Careers Leaders in schools and colleges is working across the country.
- The CEC has supported 2,099 Careers Leaders to take part in professional development training. 3,826 Careers Leaders, education leaders and governors have accessed our online learning modules.
  - Schools and colleges with a trained Careers Leader achieved more Gatsby Benchmarks on average than those without.

### **3. Backing the Gatsby Benchmarks**

- The overwhelming majority of schools and colleges have voluntarily adopted the Gatsby Benchmarks and are using them to evaluate, improve and plan careers activity.
- 4,364 (87%) schools and colleges have used the digital platform Compass at least once, with 2,266 schools now using our enhanced Compass+ digital tool.
  - 274 colleges have joined our Further Education and Skills community of improvement, to support, develop and drive innovation in careers education.
  - 800 schools and colleges are involved in our Special Educational Needs and Disability community of improvement.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Principal risks and uncertainties**

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

**Financial key performance indicators**

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

**Future developments**

Our strategic priorities for the coming year are set out here:

1. We aim for a careers education system that has a measurable impact on young people - now and in the future.
2. We aim to include all young people in careers education removing barriers where we can.
3. We build leaders and institutions who can sustain the mission in the long term.

The Company has a signed Grant Funding Agreement with the Department for Education for the 2022/23 financial year. This supports the continuation of the strategic priorities set above, including a commitment to extending Careers Hubs, Careers Leader training and the Gatsby framework. We will do this through the following measures:

**Building Networks**

To build on progress we will:

- Expand the successful Careers Hub model to deliver improvements in careers education.
- Develop a set of standards for businesses in consultation with the market, ready for pilot(s) starting in September 2022.

**Supporting Careers Leaders**

To support Careers Leaders so they have the knowledge and skills to make progress against the Gatsby Benchmarks we will:

- Deliver Careers Leader training and bursaries.
- Provide effective digital support and tools to Careers Leaders and their schools and colleges.
- Undertake a full pilot of our Careers Impact Review System to drive improvement and quality across the system.

**Proposals for the future**

CEC will seek to extend Careers Hubs to all parts of England by 2024. In doing so, CEC will develop proposals to continue improvement in careers support for young people, in the following ways:

- Embedding a culture of careers into the mainstream of education by supporting all teachers to build careers into school and college life, including the curriculum, through training and employer partnerships. This work should include an emphasis on skills pathways like apprenticeships.
- Quality assurance and leadership, by developing peer and expert-led quality assurance models through Careers Hubs and by building capacity through training and support for Careers Leaders.
- Build young people's views into the careers system, using CEC's Future Skills Questionnaire, to ensure large-scale pupil feedback about 'career readiness' is used to inform the wider skills system.

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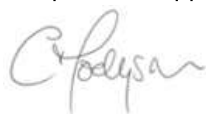
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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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- Business leadership, by creating and distilling standards for employers engaging in careers education, reflecting learning from the Gatsby Benchmarks, to ensure outreach activity leads to high-quality engagement including opportunity to secure diverse talent.

This report was approved by the board and signed on its behalf.



.....  
**C Hodgson CBE**  
Chairman

Date: 3 October 2022

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**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their report and the financial statements for the year ended 31 March 2022.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The profit for the year, after taxation, amounted to £4,474 (2021 - £7,425).

**Directors**

The directors who served during the year were:

C Hodgson CBE (Non Executive Director)  
S Holliday (Non Executive Director)  
Dame J Cleverdon (Non Executive Director)  
B Lightman (Non Executive Director)  
M Isap (Non Executive Director)  
J Yarham  
D Baldwin (Non Executive Director)  
Baroness N Morgan (Non Executive Director)  
E Beale (Non Executive Director)  
O De Botton

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**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Disclosure of information to auditor**

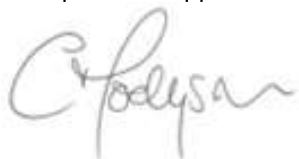
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

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

This report was approved by the board and signed on its behalf.



.....  
**C Hodgson CBE**  
Director

Date: 3 October 2022



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

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**Opinion**

We have audited the financial statements of The Careers and Enterprise Company Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

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

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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**Use of our report**

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

*M Stallabrass*

**Matthew Stallabrass** (Senior statutory auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

Date: 13 October 2022

**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Grant Income	4	<b>24,385,447</b>	30,035,842
Administrative expenses		<b>(24,385,447)</b>	(30,034,495)
<b>Operating (deficit)/surplus</b>	5	-	1,347
Interest receivable and similar income	9	<b>4,474</b>	6,514
<b>(Deficit)/surplus before tax</b>		<b>4,474</b>	7,861
Tax on (deficit)/surplus	10	-	(436)
<b>(Deficit)/surplus for the year</b>		<b>4,474</b>	7,425

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 14 to 23 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	63,209	19,255
		<u>63,209</u>	<u>19,255</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	59,169	1,940,628
Cash at bank and in hand	13	9,185,803	9,911,295
		<u>9,244,972</u>	<u>11,851,923</u>
Creditors: amounts falling due within one year	14	(9,243,025)	(11,810,496)
<b>Net current assets</b>		<u>1,947</u>	<u>41,427</u>
<b>Net assets</b>		<u><u>65,156</u></u>	<u><u>60,682</u></u>
<b>Capital and reserves</b>			
General reserves	17	<u><u>65,156</u></u>	<u><u>60,682</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



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**C Hodgson CBE**  
 Director

Date: 3 October 2022

The notes on pages 14 to 23 form part of these financial statements.

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**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

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	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	<b>53,257</b>	<b>53,257</b>
<b>Comprehensive income for the year</b>		
Profit for the year	<b>7,425</b>	<b>7,425</b>
<b>Total comprehensive income for the year</b>	<b>7,425</b>	<b>7,425</b>
<b>At 1 April 2021</b>	<b>60,682</b>	<b>60,682</b>
<b>Comprehensive income for the year</b>		
Profit for the year	<b>4,474</b>	<b>4,474</b>
<b>Total comprehensive income for the year</b>	<b>4,474</b>	<b>4,474</b>
<b>At 31 March 2022</b>	<b>65,156</b>	<b>65,156</b>

The notes on pages 14 to 23 form part of these financial statements.

**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<b>2022</b> £	<b>2021</b> £
<b>Cash flows from operating activities</b>		
Profit for the financial year	<b>4,474</b>	7,425
<b>Adjustments for:</b>		
Depreciation of tangible assets	<b>13,623</b>	4,027
Interest received	<b>(4,474)</b>	(6,514)
Taxation charge	<b>116</b>	436
Decrease/(increase) in debtors	<b>1,881,459</b>	(1,761,744)
(Decrease) in creditors	<b>(2,567,383)</b>	(4,655,331)
Corporation tax (paid)	<b>(204)</b>	(12,840)
<b>Net cash generated from operating activities</b>	<b>(672,389)</b>	(6,424,541)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(57,577)</b>	(22,049)
Interest received	<b>4,474</b>	6,514
<b>Net cash from investing activities</b>	<b>(53,103)</b>	(15,535)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(725,492)</b>	(6,440,076)
Cash and cash equivalents at beginning of year	<b>9,911,295</b>	16,351,371
<b>Cash and cash equivalents at the end of year</b>	<b>9,185,803</b>	9,911,295
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>9,185,803</b>	9,911,295

The notes on pages 14 to 23 form part of these financial statements.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**1. General information**

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

The address of the registered office is 120 Aldersgate Street, London, England, EC1A 4JQ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

**2.2 Going concern**

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

**2.3 Revenue recognition**

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

**2.4 Operating leases: the Company as lessee**

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

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

**2.5 Interest income**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.6 Pensions**

**Defined contribution pension plan**

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

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

**2.7 Taxation**

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

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

**2.8 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

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

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

**2.9 Debtors**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.10 Cash and cash equivalents**

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

**2.11 Creditors**

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

**2.12 Financial instruments**

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

**2.13 Government grants & grant income**

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

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

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

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

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

**Accruals**

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

**THE CAREERS AND ENTERPRISE COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**4. Turnover**

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

	<b>2022</b> £	<b>2021</b> £
Government grant (note 15)	<b>23,818,911</b>	29,769,991
Other grant income	<b>566,536</b>	265,851
	<b><u>24,385,447</u></b>	<b><u>30,035,842</u></b>

**5. Operating surplus**

The operating surplus is stated after charging:

	<b>2022</b> £	<b>2021</b> £
Depreciation of tangible fixed assets	<b>13,623</b>	5,885
Other operating lease rentals	<b>3,078</b>	5,252
Pension cost	<b>213,901</b>	194,056
	<b><u>230,522</u></b>	<b><u>205,193</u></b>

**6. Auditor's remuneration**

	<b>2022</b> £	<b>2021</b> £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>14,820</b>	13,920
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Preparation of the financial statements	<b>1,620</b>	1,620
Review of the annual expenditure certificate	<b>1,260</b>	1,260
	<b><u>2,880</u></b>	<b><u>2,880</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. Employees**

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

	<b>2022</b> £	<b>2021</b> £
Wages and salaries	<b>4,563,654</b>	4,593,731
Social security costs	<b>519,215</b>	492,708
Cost of defined contribution scheme	<b>226,501</b>	194,056
	<u><b>5,309,370</b></u>	<u>5,280,495</u>

The average monthly number of employees, including the directors, during the year was 91.5 (2021: 90.0).

**8. Directors' remuneration**

	<b>2022</b> £	<b>2021</b> £
Directors' emoluments	<u><b>265,027</b></u>	<u>135,288</u>

The highest paid director received remuneration of £141,975; Salary £135,000 plus pension £6,975 during the year. (2021: £120,750).

There were 2 Executive directors (2021: 1) during the year.

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

**9. Interest receivable**

	<b>2022</b> £	<b>2021</b> £
Bank interest receivable	<u><b>4,474</b></u>	<u>6,514</u>

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**10. Taxation**

	<b>2022</b> £	<b>2021</b> £
<b>Corporation tax</b>		
Current tax on profits for the year	-	88
Adjustments in respect of previous periods	-	348
	-	436
<b>Total current tax</b>	-	436
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	436

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	<b>2022</b> £	<b>2021</b> £
Profit on ordinary activities before tax	<b>4,474</b>	7,861
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>850</b>	1,494
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>4,241</b>	235
Capital allowances for year in excess of depreciation	<b>(8,351)</b>	(1,641)
Adjustments to tax charge in respect of prior periods	-	348
Other timing differences leading to an increase (decrease) in taxation	<b>3,260</b>	-
<b>Total tax charge for the year</b>	-	436

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Taxation (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**11. Tangible fixed assets**

	Office equipment £
<b>Cost</b>	
At 1 April 2021	104,107
Additions	57,577
Disposals	(10,570)
At 31 March 2022	<u>151,114</u>
<b>Depreciation</b>	
At 1 April 2021	84,852
Charge for the year on owned assets	13,623
Disposals	(10,570)
At 31 March 2022	<u>87,905</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>63,209</u></u>
At 31 March 2021	<u><u>19,255</u></u>

During the year, CEC embarked on a replacement programme for IT equipment much of which has been in use for much longer than its expected useful life, thus, causing the value of fixed assets to increase during the year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Debtors**

	2022 £	2021 £
Trade debtors	-	865,033
Other debtors	44,617	76,376
Prepayments and accrued income	14,552	999,219
	<u>59,169</u>	<u>1,940,628</u>

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

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

The decrease (2020/21: increase) in both trade debtors and accrued income are due to claims being made in advance during 2021/22 (in arrears in 2020/21).

**13. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	<u>9,185,803</u>	<u>9,911,295</u>

**14. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	303,671	874,908
Corporation tax	-	88
Other taxation and social security	138,447	138,628
Other creditors	1,240,599	1,739,629
Accruals	5,522,939	7,968,795
Deferred income	2,037,369	1,088,448
	<u>9,243,025</u>	<u>11,810,496</u>

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

Deferred income held at year-end is all in respect of non-government grant income. The increase in deferred income is due to new non-government funding.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. Grant Funding Income**

A grant funding agreement was signed with the Department for Education for the value up to £27,970,000 (2021: £28,800,000) for the period commencing 1 April 2021 and ending 31 March 2022.

£23,818,911 (2021: £25,898,815) of this funding was spent and is recognised in the statement of comprehensive income to reflect resources expended by the Company during the year. In addition £nil (2021: £3,871,176) of funding received in previous year's agreements and deferred was spent during this year and is now recognised in the statement of comprehensive income.

**16. Financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are measured at amortised cost	<b>9,230,420</b>	<b>10,852,704</b>
	<u><u>          </u></u>	<u><u>          </u></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(7,068,366)</b>	<b>(10,572,556)</b>
	<u><u>          </u></u>	<u><u>          </u></u>

Financial assets that are measured at amortised cost comprise of cash, trade debtors and other debtors.

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

**17. General Reserves**

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

**18. Company status**

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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**19. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £213,901 (2021 - £194,056). Contributions totalling £39,417 (2021 - £34,082) were payable to the fund at the reporting date.

**20. Commitments under operating leases**

The Company had no commitments under non-cancellable operating leases at the reporting date.

**21. Key management**

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

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