

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES
REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 28TH FEBRUARY 2003

Charity No. 518759

Company No. 894742



TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

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Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 23rd December 1966.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The election of Trustees and Management Committee is governed by the Articles and authority is vested in the Trustees to make such appointments.

The company has a wholly owned subsidiary company - Training Services (Wales) Limited - Company no. 2422780

Management Committee/Trustees

C. Hoare
R. Partridge
B. Hitchcock
J. Bevan
B. Lakin

Secretary

C.F. Middleton

Chief Executive

C.F. Middleton

Registered Office and operation address

Fairwood House, Rhyd Lane, Aberkenfig. CF32 9PW.

Auditors

Curtis, Bowden & Thomas Limited, Chartered Accountants & Registered Auditors,
Pentre Road, Pentre, R.C.T. CF41 7DJ.

Bankers

Barclays Bank PLC., Dunraven Place, Bridgend.

Solicitors

Eversheds, Cardiff.
Stone King, Bath

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28TH FEBRUARY 2003

The trustees present their report along with the financial statements of the Charity Group for the year ended 28th February 2003. The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000.

Objects and policies

The Group consists of the Charity (holding company) and its non-charitable wholly owned subsidiary. The Charity exists to organise training programmes and educate people, mainly young people and apprentices in the workplace.

The subsidiary company undertakes and develops management development and consultancy programmes.

Organisational structure

The operations are based at central office at Bridgend, South Wales and the Group achieves its objects of organising and co-ordinating training programmes and the promotion of appropriate training of persons in industry and commerce, in both the public and private sectors by means of the following policies:-

To provide and equip training centres and libraries and other facilities for training and education.

To provide training courses, instruction and demonstrations and to assist in the provision of industrial and commercial training and education.

To provide assistance by grants or otherwise, to enable individuals to obtain training or education.

To support other educational organisations.

Financial results and future activities

The Group made a profit of £432,934 for the year, thereby increasing reserves from £1,062,361 at February 2002 to £1,495,295 at February 2003.

Investment policy - Group

The Trustees consider it necessary to keep surplus funds on short term deposits which are readily accessible to accommodate fluctuating trading conditions.

Reserves policy

1. Origin and Need for Reserves

1.1 The Charity's Reserves have been built up from surpluses both in charitable trading activities and in payments made under Gift Aid from the Charity's wholly-owned trading subsidiary, Training Services (Wales) Limited.

1.2 At 28 February 2003, the reserves were as follows:-

	Group	Charity
Total Funds	1,495,295	1,188,860
Free Reserves (net current assets)	958,522	436,174

(ie. Those assets not tied up in fixed assets or designated or restricted funds).

1.3 The Trustees have resolved to hold free reserves in the Charity to approximately £450K and for the Group £750K.

1.3.1 To provide a fund to Cover unexpected contingent liabilities of the Charity, eg. from redundancies or other costs should the Charity cease operation.

1.3.2 To build an investment portfolio, the income of which can contribute towards its core costs.

1.3.3 To provide funding for future charitable activities, particularly in relation to the establishment of leadership courses with universities and vocational training establishments in Wales (and beyond).

- 1.4 The Trustees have agreed with the Directors of the wholly owned subsidiary (Training Services (Wales) Limited) that the free reserves should be approximately £300K which is accumulated out of taxed income (subject to gift aid and covenant payments to the Trust).

2. Maintenance of the Reserves at the agreed level

- 2.1 It is impossible to be certain about added a given amount to reserves every year, particularly as it is impossible to be wholly confident from year to year that a given surplus will be obtained from both charitable and non-charitable trading operations. Nevertheless, the Trustees would hope overall to allocate from the Charity's total income (net incoming resources) an amount to Reserves to recognise the ongoing development requirements of the operations and to provide a fund to cover known or unexpected fluctuations in trading patterns. This amount will vary from year to year and the Trustees will review these policy levels as circumstances arise.
- 2.2 The Trustees intend to take into account the financial health of their trading subsidiary, TSW, so that they would not, as shareholders of TSW, be seeking the gift aiding of all surpluses of that company to the Charity. If they were to do so, TSW would in any event have to look to the Charity or to outside sources for pump priming or overdraft facilities as well as capital for investment and expansion, so it is considered better from TSW to create its own reserves.

3. Review and Monitoring Process

- 3.1 The Trustees intend to review this reserves policy at least annually but in addition when substantial income is added to the level of Reserves or when substantial expenditure is made from the Reserves.
- 3.2 The Charity intends to reserve up to one year's operating costs and in addition, reserves for specific planned activities.

Risk Management

The trustees have conducted their own review of the major risks to which the charity and the group is exposed and systems have been established to mitigate these risks. Internal risks are minimised by the implementation of procedures and authorisations of transactions and projects to ensure consistent quality of delivery for operational aspects of the group.

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28TH FEBRUARY 2003

Trustees

C. Hoare
R. Partridge
B. Hitchcock
J. Bevan
B. Lakin

Statement of trustees' responsibilities


Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the trustees are required:

- 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 the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

C. HOARE



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Dated 30th September 2003

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

Report of the Independent Auditors to the Members of TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

We have audited the financial statements of TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES for the year ended 28th February 2003 on pages five to fifteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the group'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 group's members those matters we are required to state to them in an auditors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the management committee and auditors

As described on page three the members of the management committee, who are directors for the purpose of company law and trustees for the purpose of charity law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Management Committee and Trustees is not consistent with the financial statements, if the group 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 transactions with the group is not disclosed.

We read the Report of the Management Committee & Trustees 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 United Kingdom Auditing Standards 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 management committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's and group's affairs as at 28 February 2003 and of the incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CURTIS, BOWDEN & THOMAS LIMITED
Chartered Accountants &
Registered Auditors
Pentre
CF41 7DJ



Dated: 30th September 2003

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

	2003		2002	
	Group £	Charity £	Group £	Charity £
Incoming Resources - UNRESTRICTED FUNDS				
Grants	142	-	-	-
Activities in furtherance of the charity's objects - Training Enterprise Council	512,105	512,105	505,116	505,116
Contracts for operational programmes, course fees, consultancy	2,932,079	60,315	2,198,871	28,791
Membership fees	41,780	19,604	56,692	30,125
Investment income and interest	24,414	315,508	29,635	27,392
Profit on sale of fixed assets	18,029	-	7,643	-
Total incoming resources	3,528,407	907,532	2,797,957	591,424
(There are no restricted or designated funds)				
	2003		2002	
	Group £	Charity £	Group £	Charity £
Expenditure				
Total resources expended (note 5)				
Fund raising & publicity	79,225	37,237	51,181	23,209
Management and administration of charity	150,908	150,908	163,501	163,501
Direct charity expenditure	362,565	362,565	388,125	388,125
Subsidiary company's direct costs	2,210,409	-	1,741,815	-
Subsidiary company's management and admin costs	203,406	-	207,436	-
	3,006,513	550,710	2,552,058	574,835
Total charitable expenditure		550,710		574,835
Total resources expended	3,006,513		2,552,058	
Incoming resources	3,528,549	907,532	2,797,957	591,424
Net Incoming resources	522,036	356,822	245,899	16,589
Taxation (note 25)	(70,871)		(31,891)	
Readjustment re: depreciation cross charge between charity and company			-	(28,484)
	451,165	356,822	214,008	(11,895)
Donations	(18,231)	(18,231)	(12,718)	(12,718)
Total funds brought forward	1,062,361	850,269	861,071	874,882
Total funds carried forward	1,495,295	1,188,860	1,062,361	850,269

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.


TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 28TH FEBRUARY 2003

	Note	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Fixed assets					
Tangible assets	12	536,772	557,478	439,261	449,952
Investments	13	1	1	353,761	353,761
		<u>536,773</u>	<u>557,479</u>	<u>793,022</u>	<u>803,713</u>
Current assets					
Debtors	14	790,274	572,974	49,460	140,772
Cash at bank and in hand	15	931,801	501,788	537,263	352,392
		<u>1,722,075</u>	<u>1,074,762</u>	<u>586,723</u>	<u>493,164</u>
Creditors: amounts falling within one year	16	<u>(763,553)</u>	<u>(560,715)</u>	<u>(123,549)</u>	<u>(80,156)</u>
Net Current Assets		<u>958,522</u>	<u>514,047</u>	<u>463,174</u>	<u>413,008</u>
Total assets less current liabilities		1,495,295	1,071,526	1,256,196	1,216,721
Creditors: amounts falling due after more than one year	17	<u>-</u>	<u>(9,165)</u>	<u>(67,336)</u>	<u>(366,452)</u>
Net assets		<u>1,495,295</u>	<u>1,062,361</u>	<u>1,188,860</u>	<u>850,269</u>
Funds					
Unrestricted funds:		<u>1,495,295</u>	<u>1,062,361</u>	<u>1,188,860</u>	<u>850,269</u>

Approved by the Board of Trustees:


C. HOARE (TRUSTEE)

Date: 30th September 2003

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 28TH FEBRUARY 2003

	2003	2002
	£	£
Sources of Funds		
Profits (losses) for the year after charging depreciation before taxation and excluding investment income	461,362	203,546
add Depreciation	<u>67,917</u>	<u>78,434</u>
Net cash inflow (outflow) from operating activities	529,279	281,980
Investment Income		
Rents	-	17,531
Interest	<u>24,414</u>	<u>12,104</u>
Net cash inflow (outflow) before management of liquid resources and fundraising	553,693	311,615
add Proceeds sale of Fixed Assets	<u>18,960</u>	<u>-</u>
	572,653	311,615
deduct		
Expenditure of fixed assets	(48,141)	(44,463)
Reduction in long term loans	(9,165)	(7,410)
Increase in long term loans financing	-	-
	<u>(57,306)</u>	<u>(51,873)</u>
	515,347	571,357
deduct Movement in working Capital Requirements		
Decrease in debtors	-	-
Increase in debtors	(217,300)	(314,512)
Decrease in creditors	-	-
Increase in creditors	<u>131,966</u>	<u>255,421</u>
	<u>(85,334)</u>	<u>(59,091)</u>
Increase in cash resources for the year	430,013	512,266
Cash resources at 1st March 2002	501,788	301,137
Cash resources at 28th February 2003	931,801	813,403
	=====	=====
Analysis of Cash Resources		
Bank current account	3,038	-
Business premium account	27,997	167,748
Cash	766	40
Short term deposit	<u>900,000</u>	<u>334,000</u>
	<u>931,801</u>	<u>501,788</u>
	=====	=====

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

1. Principal accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in October 2000.

(b) Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned trading subsidiary, Training Services (Wales) Limited, on a line by line basis. A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of the provisions of paragraph 304 of the SORP.

(c) Incoming resources

Income is recognised in the period in which the charitable group is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects where these amount to a contract for services.

(d) Resources expended and basis of allocation of costs

Expenditure is included when incurred.

Expenditure on operational programmes is recognised in the period in which it is incurred.

Certain costs are apportioned to activities in furtherance of the objects of the charity i.e. Office costs and property related costs are apportioned on the following basis:

Charity	£	£
Office establishment costs	22,538 - allocated to Man. Costs - 10%	2,254
Salaries etc.	345,855 - allocated to Man. Costs - 20%	69,171
Depreciation & cross charge from sub. co. re: fixed asset charge	30,664 - allocated to Man. Costs - 10%	3,066

A detailed schedule of allocation of all specific expenditure is reported in note 5 page 10.

(e) Costs of managing and administering the charity

These represent costs incurred and attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

(f) Capitalisation and depreciation of tangible fixed assets

The cost of tangible fixed assets is written off by equal annual instalments over their expected useful lives as follows:-

Freehold buildings	-	2% per annum
Leasehold property	-	written down to nil (20% per annum - previously)
Furniture, fixtures and equipment	-	20% and 33% per annum
Motor vehicles	-	25% per annum

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

(g) Fixed asset investments

Fixed asset investments, in freehold property, is included at cost less the accumulated provision for depreciation.

(h) Funds accounting

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - there were no designated funds during the year.

Restricted funds - there were no designated funds during the year.

(i) Pension schemes

The group operates money purchase pension schemes for employees

(j) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lesser are charged to expenditure as incurred.

2. Activities in furtherance of the charity's objectives

	2003 £	2002 £
Training Enterprise Council	512,105	505,116
	=====	=====

3. Other Income

	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Profit on sale of fixed assets	18,029	7,643	-	-
	=====	=====	=====	=====

4. Investment income and interest - unrestricted

	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Gift Aid - Subsidiary Company	-	-	280,000	-
Deposit interest	24,414	12,104	17,640	9,861
Rents receivable	-	17,531	17,868	17,531
	<u>24,414</u>	<u>29,635</u>	<u>315,508</u>	<u>27,392</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

5. Total Resources Expended

	Fund raising & publicity	Management & Admin	Direct Charitable Expenses	2003 Total	2002 Total
Training course costs			47,724	47,724	57,127
Legal & professional		14,970		14,970	6,845
Establishment, property costs		2,254	20,284	22,538	21,820
Irrecoverable VAT		-	-	-	261
Salaries and staff development	9,725	69,171	266,959	345,855	358,197
Reproduction costs		990		990	1,934
Depreciation		3,066	27,598	30,664	10,451
Finance		849		849	983
Marketing & sales	27,512			27,512	23,209
Travel & motor		38,734		38,734	50,969
Telephones		6,565		6,565	8,688
Postages & stationery		7,799		7,799	10,370
Audit		3,840		3,840	2,650
Subscriptions		2,670		2,670	3,085
Bad debts		-		-	18,246
	37,237	150,908	362,565	550,710	574,835

	2003 Group	Charity	2002 Group	Charity
Summary				
Fund raising	79,225	37,237	51,181	23,209
Management & Admin. - Charity	150,908	150,908	163,501	163,501
Direct charity expenditure	362,565	362,565	388,125	388,125
Direct subsidiary company expenditure	2,210,409		1,741,815	
Subsidiary company management and Admin. Costs	203,406		207,436	
	3,006,513	550,710	2,552,058	574,835

	Group 2003	Charity 2002	Charity 2003	2002
This is stated after charging:				
Depreciation	67,917	78,434	10,691	10,451
Auditors Remuneration	7,740	6,200	3,840	2,650
Legal & Professional charges	33,408	17,283	14,970	6,845

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

6. Fund raising costs	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Fund raising & publicity costs				
Marketing & sales expenses	79,225	51,181	37,237	23,209
	=====	=====	=====	=====

7. Cost of activities in furtherance of the objects of the charity

Note 5 above details all costs allocated as direct charitable expenditure, totalling £362,565 (£388,125 - 2002).

8 Costs of managing and administering the charity

Full details schedule of these costs are set out in note 5 above.

9 Net incoming resources

This is stated after charging:

	2003 £	2002 £
Hire of vehicles and equipment	Nil	Nil
Property rental (inter group rent only £17,531)	Nil	Nil
Auditors remuneration - statutory audit		
- audit	7,680	6,140
- other	60	60
Directors Remuneration - Charged to Charity	35,000	42,590
- Charged to Subsidiary Company	74,191	46,139
- Total Charges to Group	109,191	88,729
	=====	=====

10. Employees and staff costs

The average number of UK contracted employees throughout the year, calculated on a full time equivalent basis, was:

	2003 £	2002 £
Management	5	4
Trainers	8	9
Administration	15	18
	28	31
	=====	=====
	2003 £	2002 £

The costs of employing those staff was:

Salaries and wages	711,190	738,223
National insurance	53,945	50,946
Pension schemes, life assurances	51,432	45,104
	816,567	834,273
Staff development costs	35,247	20,204
	851,814	854,477
	=====	=====

The number of employees whose emoluments as defined for tax purposes amounted to over £40,000 not including retirement benefits provided under money purchase schemes for employees.

	Group	Charity
£40,000 to £50,000	2	-
£50,000 to £60,000	1	-
£60,000 to £70,000	-	1
£70,000 to £80,000	-	-
Over £80,000	1	-

11. Trustees' remuneration

Trustees are not remunerated.

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

12. Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Furniture Fixtures and Equipment £	Motor Vehicles £	Total £
Group					
Cost					
At 1st March 2002	556,440	61,996	207,398	184,987	1,010,821
Additions	-	-	13,176	34,965	48,141
Disposals	-	-	(1,770)	(117,867)	(119,637)
At 28th February 2003	556,440	61,996	218,804	102,085	939,325
Depreciation					
At 1st March 2002	106,488	61,996	128,480	156,378	453,342
Charge for the year	10,691	-	37,311	19,915	67,917
Disposals	-	-	(1,770)	(116,936)	(118,706)
At 28th February 2003	117,179	61,996	164,021	59,357	402,553
Net book value					
At 28th February 2003	439,261	-	54,783	42,728	536,772
At 28th February 2002	449,952	-	78,918	28,608	557,478

Charity:

Cost

	Freehold Property £	Total £
At 1st March 2002	556,440	556,440
Additions	-	-
Disposals	-	-
At 28th February 2003	556,440	556,440
Depreciation		
At 1st March 2002	106,488	106,408
Charge for the year	10,691	10,691
Disposals	-	-
At 28th February 2003	117,179	117,099
Net book value		
At 28th February 2003	439,261	439,261
At 28th February 2002	449,952	449,952

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

13. Fixed asset investments

	Unquoted £	Total £
Group		
Investment in subsidiary company, at cost	1	1
The subsidiary company is T.S.W. Management Solutions Limited (co. no. 3577268).		
The company had not commenced trading and held no assets/liabilities at the balance sheet date.		
Charity		
Investment in subsidiary company, at cost	353,761	353,761
This company is Training Services (Wales) Limited (co. no. 2422780) and forms part of these Group consolidated accounts.		

14. Debtors

	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Contract receivables	785,959	538,793	49,278	136,490
Other	-	172	-	-
Prepayments and accrued income	4,315	34,009	182	4,282
	<u>790,274</u>	<u>572,974</u>	<u>49,460</u>	<u>140,772</u>

15. Cash at bank and in hand

	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Short term deposits	927,997	501,748	537,263	352,392
Cash and bank balances	3,804	40	-	-
	<u>931,801</u>	<u>501,788</u>	<u>537,263</u>	<u>352,392</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

16. Creditors: amounts falling due within one year

	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Corporation tax	102,871	32,000	-	-
Bank overdraft	35,476	21,375	-	9,983
Trade creditors	425,117	372,319	16,015	6,844
Accruals	59,995	31,229	59,995	31,229
Other tax and social security	91,198	64,281	7,810	-
Training scheme creditors	39,729	32,100	39,729	32,100
Hire purchase contracts	9,166	7,410	-	-
Uncalled share capital in subsidiary co.	1	1	-	-
	<u>763,553</u>	<u>560,715</u>	<u>123,549</u>	<u>80,156</u>

17. Creditors: amounts falling due after more than one year

	2003 Group £	2002 Group £	2003 Charity £	2002 Charity £
Hire purchase contracts	-	9,165	-	-
Loan from subsidiary company	-	-	67,336	366,452
	<u>-</u>	<u>9,165</u>	<u>67,336</u>	<u>366,452</u>

The loan from subsidiary company represents unsecured, interest free, funds and inter company transactions from the Charity's wholly owned subsidiary. There is no fixed term for repayment but the Trustees and the company review the basis for repayment on a quarterly basis.

18. Unrestricted funds

	General Reserves £
Balance at 1st March 2002	1,062,361
Surplus for the year	451,165
Donations paid	<u>(18,231)</u>
Balance at 28th February 2003	<u>1,495,295</u>

19. Restricted Funds

There were no restricted funds at the balance sheet date.

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

20. Analysis of group net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 28th February 2003 are represented by:				
Tangible fixed assets	536,772	-	-	536,772
Investment assets	1	-	-	1
Current assets	1,722,075	-	-	1,722,075
Current liabilities	(763,553)	-	-	(763,553)
Long-term liabilities	-	-	-	-
Total net assets at 28th February 2003	1,495,295	-	-	1,495,295

21. Commitments

There were no financial commitments at the balance sheet date.

22. Pension scheme

The group operates money purchase pensions schemes for the employees.

23. Related party transactions

During the year the Group provided training services to companies associated with trustees as follows:-

B Lakin	£4,362
R Partridge	£1,458

These services were provided at arms length, in the normal course of business and upon the same terms as charged to any other client of the Group.

No amounts have been written off and no provision has been made for bad debt.

24. No trustee received any remuneration or reimbursement of expenses during the year. The Trustees attended at a Christmas function, the total cost of which was £1,041.

25. Indemnity Insurance

The Group paid £2,607 for insurance to protect the charity from loss arising from neglect of default of its trustees, employees or agents, and to indemnify the trustees against the consequences of any neglect or default on their part.

26. Taxation

The charitable company is exempt from corporation tax on its charitable activities. The Group is subject to corporation tax in respect of its subsidiary company's non-charitable activities. The corporation tax has been provided on the basis that no gift aid or covenant payments will be made by the subsidiary to the Charity. Trustees will review the level of transfer within the statutory time limits for taxation purposes which may result in a reduction in this liability.

TRAINING TRUST (WALES)

(A company limited by guarantee)

Report and Financial Statements

Year ended: 28 February 2003

Charity No. 518759

Company No. 894742

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Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 23 December 1966 and registered on 8 December 1978.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The election of Trustees and Management Committee is governed by the Articles and authority is vested in the Trustees to make such appointments.

Management Committee/Trustees

C Hoare
R Partridge
B Hitchcock
J Bevan
B Lakin

Secretary

C F Middleton

Chief Executive

C F Middleton

Registered Office and operation address

Fairwood House, Rhyd Lane, Aberkenfig. CF32 9PW

Auditors

Curtis Bowden & Thomas Limited, Chartered Accountants & Registered Auditors,
Pentre Road, Pentre, RCT. CF41 7DJ

Bankers

Barclays Bank Plc., Dunraven Place, Bridgend.

Solicitors

Eversheds, Cardiff.
Stone King, Bath

**Report of the Management Committee and Trustees for the year ended
28th February 2003.**

The Management Committee and Trustees presents its report and the audited financial statements for the year ended 28 February 2003.

Activities

The company is a charity and exists to organise training programmes and educate people, mainly young people and apprentices in the workplace.

Results

The company achieved a profit during the year in the sum of £356,822 mainly due to the Covenant received from Training Services Wales Limited in the sum of £280,000.

The company paid out £18,231 donations which relate to the Trustees policy of making donations. The Funds balance now stands at £1,188,860 compared with £850,269 at the previous year end. The group has had another very successful year from which the Trust will again benefit substantially during the current year as a result of Covenant arrangements. The group's reserves amounted to £1,495,295 at the Balance Sheet date (1,062,361 - 2002).

Advice and information

The activity is based at central office and achieves its objects of organising and co-ordinating training programmes and the promotion and advancement of adequate training of persons engaged or likely to be engaged in industry and commerce, by means of the following policies:-

To provide and equip training centres and libraries and other facilities for training and education.

To provide training courses, instruction and demonstrations and to assist in the provision of industrial and commercial training and education.

To provide assistance by grants, or otherwise, to enable individuals to obtain training or education.

To support other educational organisations.

The operations are funded by Government Funding Programmes and membership and training fees and covenanted and gift aid funds from the wholly owned subsidiary company.

Future Strategy

The charity plans continuing the activities outlined above for the forthcoming years subject to satisfactory funding arrangements. Plans are also being developed to work on schemes with local employers and educational establishments in relation to developing personal and workplace skills.

Reserves policy

1. Origin and Need for Reserves

- 1.1 The Charity's Reserves have been built up from surpluses both in charitable trading activities and in payments made under Gift Aid from the Charity's wholly-owned trading subsidiary, Training Services (Wales) Limited.

- 1.2 At 28 February 2003, the reserves were as follows:-

	Group	Charity
Total Funds	1,495,295	1,188,860
Free Reserves (net current assets) (ie. those assets not tied up in fixed assets or designated or restricted funds).	958,522	436,174

- 1.3 The Trustees have resolved to hold free reserves in the Charity to approximately £450K and for the Group £750K.

- 1.3.1 To provide a fund to cover unexpected contingent liabilities of the Charity, eg. from redundancies or other costs should the Charity cease operation.
- 1.3.2 To build an investment portfolio, the income of which can contribute towards its core costs.
- 1.3.3 To provide funding for future charitable activities, particularly in relation to the establishment of leadership courses with universities and vocational training establishments in Wales (and beyond).

- 1.4 The Trustees have agreed with the Directors of the wholly owned subsidiary (Training Services (Wales) Limited) that the free reserves should be approximately £300K which is accumulated out of taxed income (subject to gift aid and covenant payments to the Trust).

2. Maintenance of the Reserves at the agreed level

- 2.1 It is impossible to be certain about adding a given amount to reserves every year, particularly as it is impossible to be wholly confident from year to year that a given surplus will be obtained from both charitable and non-charitable trading operations. Nevertheless, the Trustees would hope overall to allocate from the Charity's total income (net incoming resources) an amount to Reserves to recognise the ongoing development requirements of the operations and to provide a fund to cover known or unexpected fluctuations in trading patterns. This amount will vary from year to year and the Trustees will review these policy levels as circumstances arise.

- 2.2 The Trustees intend to take into account the financial health of their trading subsidiary, TSW, so that they would not, as shareholders of TSW, be seeking the gift aiding of all surpluses of that company to the Charity. If they were to do so, TSW would in any event have to look to the Charity or to outside sources for pump priming or overdraft facilities as well as capital for investment and expansion, so it is considered better for TSW to create its own reserves.

3. Review and Monitoring Process

- 3.1 The Trustees intend to review this reserves policy at least annually but in addition when substantial income is added to the level of Reserves or when substantial expenditure is made from the Reserves.
- 3.2 The Charity intends to reserve up to one year's operating costs and in addition, reserves for specific planned activities.

Investment policy - Charity

The Trustees consider it necessary to keep surplus funds on short term deposits which are readily accessible to maintain its commitment to support educational objectives and initiatives.

Risk review

The Trustees have conducted their own review of the major risks to which the Charity is exposed and systems have been established to mitigate these risks. Internal risks are minimised by the implementation of procedures of authorisation of transactions and projects to ensure consistent quality of delivery for operation aspects of the charitable company.

Responsibilities of the management committee

Charity and Company law requires the management committee to prepare financial statements for each financial year which give a true and air view of the statement of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent; and
- * prepare the financial statement on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The management committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The management committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the management committee


Members of the management committee, who are directors, for the purpose of the company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Auditors

Curtis Bowden & Thomas were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by charities and in accordance with the special provision of Part VII of the Companies Act 1985 relating to small entities.

Approved by the management committee on 30th September 2003 and signed on its behalf by:


.....(Trustee)
C. HOARE

TRAINING TRUST (WALES)

Report of the Independent Auditors to the Members of TRAINING TRUST (WALES)

We have audited the financial statements of TRAINING TRUST (WALES) for the year ended 28 February 2003 on pages six to fifteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 auditors' 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 the management committee and auditors

As described on page three the members of the management committee, who are directors for the purpose of company law and trustees for the purpose of charity law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Management Committee and Trustees is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Report of the Management Committee & Trustees 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 United Kingdom Auditing Standards 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 management committee 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 28 February 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CURTIS, BOWDEN & THOMAS LIMITED
Chartered Accountants &
Registered Auditors
Pentre
Rhondda Cynon Taff
CF41 7DJ



Dated: 30th September 2003

TRAINING TRUST (WALES)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 2003

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Income and Expenditure					
Incoming Resources					
Training & Enterprise Council Income	3	512,105	-	512,105	505,116
Investment income	3	315,508	-	315,508	27,392
Other income	3	79,919	-	79,919	58,916
Total Incoming Resources		<u>907,532</u>	<u>-</u>	<u>907,532</u>	<u>591,424</u>
Resources Expended					
Direct charitable expenditure	4	361,647	-	361,647	416,609
Fundraising and publicity	4	37,237	-	37,237	23,209
Management and administration of the Charity	4	151,826	-	151,826	163,501
Total Resources Expended		<u>550,710</u>	<u>-</u>	<u>550,710</u>	<u>603,319</u>
Net Incoming/(Outgoing) Resources before transfers		356,822	-	356,822	(11,895)
Transfers between funds		-	-	-	-
Net Incoming/(Outgoing) Resources for the year		356,822	-	356,822	(11,895)
Other Recognised Gains and Losses					
Gains (losses) on investments unrealised		-	-	-	-
Net Movement in Funds		<u>356,822</u>	<u>-</u>	<u>356,822</u>	<u>(11,895)</u>
Balances brought forward at		850,269	-	850,269	874,882
Deduct other adjustments - Charitable donations		(18,231)	-	(18,231)	(12,718)
Balance carried forward at 28th February 2003		<u>1,188,860</u>	<u>-</u>	<u>1,188,860</u>	<u>850,269</u>

The notes on pages 8 to 13 form part of the accounts.

TRAINING TRUST (WALES)

BALANCE SHEET AT 28TH FEBRUARY 2003

	Notes	2003	2002 £
Fixed assets			
Tangible assets	8	439,261	449,952
Investments	9	<u>353,761</u>	<u>353,761</u>
		<u>793,022</u>	<u>803,713</u>
 Current assets			
Debtors	10	49,460	140,772
Cash at bank and in hand		<u>537,263</u>	<u>352,392</u>
		586,723	493,164
 Liabilities: amounts falling due within one year	11	<u>(123,549)</u>	<u>(80,156)</u>
 Net current assets		<u>463,174</u>	<u>413,008</u>
 Total assets less current liabilities		1,256,196	1,216,721
 Liabilities: amounts falling due after more than one year	11	<u>(67,336)</u>	<u>(366,452)</u>
 Net Assets		<u>1,188,860</u>	<u>850,269</u>
 Funds			
Unrestricted	12	1,188,860	850,269
Restricted		<u>-</u>	<u>-</u>
		<u>1,188,860</u>	<u>850,269</u>

Approved by the Board on 30th September 2003 and signed on its behalf.



C HOARE

Trustee

**Notes forming part of the financial statements
for the year ended 28th February 2003**

1. Accounting policies

- (a) The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.
- (b) Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.
- (c) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- (d) Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

	£			£
Office establishment costs	22,538	Alloc. to Man. Costs - 10%		2,254
Salaries etc.	345,855	" " " " - 20%		69,171
Dep'n. and cross-charge from subsidiary re. fixed asset useage	30,664	" " " " - 10%		3,066

A detailed schedule of allocation of specific expenses is shown on note 4.

- (e) Depreciation is provided at rates calculated to write off the cost of the freehold property over its expected useful life, which is at the rate of 2% per annum in the straight line basis.
- (f) Investment in subsidiary (wholly owned) is included at historical cost. (Attached page 15) is a summary of the subsidiary company's balance sheet at 28th February 2003.
- (g) Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- (h) Designated funds are unrestricted funds earmarked by the management committee for particular purposes. There were no designated funds received during the year.
- (i) Restricted funds are to be used for specific purposes as laid down by the donor. There were no restricted funds received during the year.

2. Donations

There were no donations received during the year (2002 - Nil)

3. Incoming resources from activities to further the charity's objects

	Unrestrict. £	Restricted £	2003 Total £	2002 Total £
Training and Enterprise Council Income	512,105	Nil	512,105	505,116
Other Income:				
Membership Fees	19,604	-	19,604	30,125
Consultancy	22,453	-	22,453	3,863
Course Fees	37,862	-	37,862	24,928
	79,919	-	79,919	58,916
Investment Income				
Gift Aid Received	280,000	-	280,000	-
Rents	17,868	-	17,868	17,531
Bank & Building Society Interest	17,640	-	17,640	9,861
	315,508	-	315,508	27,392
Total Income	907,532	-	907,532	591,424

4. Total Resources Expended

	Direct Charitable Expenditure £	Fund- raising & publicity £	Manage- ment & Admin. £	2003 Total £	2002 Total £
Training Course Costs	47,724			47,724	57,127
Legal & Professional			14,970	14,970	6,845
Property Costs			22,538	22,538	21,820
Irrecoverable VAT			-	-	261
Salaries and Staff Development	286,245	9,725	49,885	345,855	358,197
Reproduction Costs			990	990	1,934
Bad Debts			-	-	18,246
Depreciation	27,678		2,986	30,664	38,935
Finance Costs			849	849	983
Marketing & Sales Services		27,512	-	27,512	23,209
Travel & Motor			38,734	38,734	50,969
Telephones			6,565	6,565	8,688
Postages, stationery			7,799	7,799	10,370
Audit Fees			3,840	3,840	2,650
Donations & Subscriptions			2,670	2,670	3,085
TOTAL RESOURCES EXPENDED	361,647	37,237	151,826	550,710	603,319

5. Net incoming resources for the year

This is stated after charging:

	2003	2002 £
Depreciation	30,664	38,935
Management committee's remuneration	Nil	Nil
Auditors' remuneration		
Audit services	3,840	2,650
	=====	=====

6. Staff costs and numbers

	2003	2002 £
Wages and salaries	298,813	305,327
Social security costs	20,610	24,096
Pension costs, life assurances	20,741	21,907
Staff development & recruitment	5,691	6,867
	<u>345,855</u>	<u>358,197</u>
	=====	=====

The number of employees whose emoluments as defined for taxation purposes amounted to more than £40,000 in the year were as follows:-

£60,000 to £70,000	1
	==

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2003 No.	2002 No.
Training and Education Services	5	6
Management and Administration	3	3
	<u>8</u>	<u>9</u>
	=====	=====

7. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

8. Tangible fixed assets

	Freehold Land & Buildings £	Total £
Cost		
At 1 March 2002	556,440	556,440
Additions in year	-	-
At 28 February 2003	<u>556,440</u>	<u>556,440</u>
Depreciation		
At 1 March 2002	106,488	106,488
Charge for the year	10,691	10,691
	<u>117,179</u>	<u>117,179</u>
At 28 February 2003		
Net book value		
At 28 February 2003	<u>439,261</u>	<u>439,261</u>
At 28 February 2002	<u>449,952</u>	<u>449,952</u>

9. Investments

	2003 £	2002 £
Investment in wholly owned subsidiary company, at cost		
at 1 March 2002	353,761	353,761
Additions	-	-
Disposals	<u>-</u>	<u>-</u>
At 28 February 2002 (at historical cost)	<u>353,761</u>	<u>353,761</u>

10. Debtors

Contract income receivable re. education provision	49,278	136,490
Other debtors and prepayments	182	4,282
	<u>49,460</u>	<u>140,772</u>

11. Creditors: amounts falling due within one year

Training scheme creditor	31,850	32,100
Accruals and other creditors	75,684	31,229
Trade creditors	16,015	6,844
Bank	-	9,983
	<u>123,549</u>	<u>80,156</u>

Liabilities - Falling due after more than one year.

These represent unsecured interest free funds from the Trusts wholly subsidiary company and inter- company trading with the subsidiary.

No Fixed term for repayment.

67,336	366,452
<u>67,336</u>	<u>366,452</u>

The Trustees and the Board continue to review the basis for repayment of this inter-company account on a quarterly basis.

12. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	439,261	-	-	439,261
Investments	353,761	-	-	353,761
Current assets	586,723	-	-	586,723
Current liabilities	(123,549)	-	-	(123,549)
Long term liabilities	(67,336)	-	-	(67,336)
Net assets at 28th February 2003	1,188,860	-	-	1,188,860

13. Movements in funds

	At 1st March 2002 £	Incoming Resources £	Outgoing Resources £	Donations Paid 2002 £	At 28th February 2002 £
Restricted Funds	-	-	-	-	-
Unrestricted funds:					
Designated funds	-	-	-	-	-
General funds	850,269	907,532	(550,710)	(18,231)	1,188,860
Total unrestricted funds	850,269	907,532	(550,710)	(18,231)	1,188,860
Total funds	850,269	907,532	(550,710)	(18,231)	1,188,860

The directors review the level of charitable donations to be made subsequent to the year end.
The donations paid in 2003 relate to the review by the directors of the 2002 financial position of the Trust.

TRAINING TRUST (WALES)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

14. Subsidiary Companies

The subsidiary company is wholly owned. The company is a UK company, Training Services (Wales) Limited. Consolidated accounts have been prepared as a separate annual report and financial statement.

A further subsidiary company - TSW Management Solutions Limited, a UK company, had not traded at the Balance Sheet date and had no assets or liabilities.

15. Related Party Transactions

During the year the Group provided training services to companies associated with trustees as follows:-

B Lakin	£4,362
R Partridge	£1,458

These services were provided at arms length, in the normal course of business and upon the same terms as charged to any other client of the Group.

No amounts have been written off and no provision has been made for bad debt.

16. Pension Scheme

The charity operates money purchase pension schemes for its employees.

17. Trustees Remuneration

No Trustee received any remuneration or re-imbursement of expenses during the year. The trustees attend at a Christmas function, the total cost of which is £1,041.

18. Indemnity Insurance

The Trust's subsidiary company paid £2,607 for Professional Indemnity Insurance to protect the charity from loss arising from neglect or defaults of its trustees, employees or agents, and to indemnify the trustees against the consequences of any neglect or default on their part.

TRAINING TRUST (WALES)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 28TH FEBRUARY 2003

	2003	2002
Sources of Funds:-		
Profit/(Loss) for the year after charging depreciation but before investment income.	23,083	(52,005)
Depreciation	<u>10,691</u>	<u>10,451</u>
Net cash inflow (outflow) from operating activities	33,774	(41,554)
Investment Income		
Covenant Received	280,000	-
Rents received	17,868	17,531
Interest received	<u>17,640</u>	<u>9,861</u>
Net cash inflow (outflow) before management of liquid resources and financing	349,282	(14,162)
(Decrease)/Increase in funding from subsidiary company	<u>(299,116)</u>	<u>106,695</u>
	50,166	92,533
deduct: Expenditure on tangible fixed assets	<u>-</u>	<u>(15,792)</u>
	50,166	76,741
deduct: Movement in Working Capital requirements		
Decrease in Debtors	87,212	-
Decrease in Debtors	4,100	(4,690)
Increase re. Creditors	<u>43,393</u>	<u>(17,727)</u>
	<u>134,705</u>	<u>(22,417)</u>
	184,871	54,324
Increase in Cash Resources for the year	<u>352,392</u>	<u>298,068</u>
Cash resources at 1st March 2002		
Cash resources at 28th February 2003	£ 537,263 =====	£ 352,392 =====
Analysis of Cash Resources		
Bank accounts	17,263	18,392
Short term deposit account	<u>520,000</u>	<u>334,000</u>
	£ 537,263 =====	£ 352,392 =====

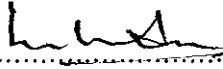
TRAINING SERVICES (WALES) LIMITED

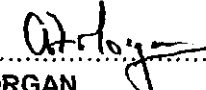
BALANCE SHEET - 28TH FEBRUARY 2003

		2003	2002
		£	£
	Note		
FIXED ASSETS			
Tangible assets	7	97,511	107,526
Intangible assets	7a	-	-
Due from holiday company		67,336	366,452
INVESTMENT IN SUBSIDIARY COMPANY			
	14	1	1
CURRENT ASSETS			
Debtors	8	740,814	432,202
Cash at bank and in hand		394,538	149,396
		<u>1,135,352</u>	<u>581,598</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	<u>(640,004)</u>	<u>(480,559)</u>
NET CURRENT ASSETS			
		<u>495,348</u>	<u>101,039</u>
		660,196	575,018
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR			
	12	-	(9,165)
OWING TO HOLDING COMPANY			
	13	-	-
NET ASSETS			
		£ 660,196	£ 565,853
		=====	=====
CAPITAL AND RESERVES			
Share capital	13	353,761	353,761
Profit and Loss Account	11	306,435	212,092
		<u>660,196</u>	<u>565,853</u>
		£ 660,196	£ 565,853
		=====	=====

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 30th September 2003 and signed on its behalf.


..... Director
I. KELSALL


..... Director
A. MORGAN

The notes on pages 6 to 9 form part of these financial statements.