

TRAINING TRUST (WALES)
(A company limited by guarantee)

Report and Financial Statements

Year ended: 28 February 2004

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 2004

The Management Committee and Trustees presents its report and the audited financial statements for the year ended 28 February 2004.

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 £306,818 (£356,822 - 2003) including the Covenant received from Training Services Wales Limited in the sum of £220,000 ie. Profits before the Covenant amounted to £86,818 (£76,822 - 2003).

Income amounted to £721,307 (including gift-aid of £220,000) compared with £907,532 in 2003 (gift-aid £280,000). Expenditure amounted to £414,489 (£550,710 in 2003) leaving net incoming resources of £306,818 (£356,822 in 2003).

The company paid out £16,702 donations which relate to the Trustees policy of making donations. The Fund balance now stands at £1,478,976 compared with £1,188,860 at the previous year end. The Group's reserves amounted to £1,483,850 at the Balance Sheet date (1,495,295 - 2003).

The performance of the charity is in line with the strategic plan except in so far as the subsidiary company has sustained a loss of £380,331 after making a gift-aid amount of £220,000 to the charity.

The subsidiary's loss was caused by the sudden and not foreseeable cessation of a major client's contract in May 2003 which resulted from structural and policy changes within that organisation.

Cost savings were implemented in the subsidiary in direct expenditure and steps taken to further reduce expenditure but there was a need to preserve structure and services within the subsidiary to accommodate any growth in other areas of activity.

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.

There is a degree of uncertainty with a major customer (E.L.W.A. Funded Programmes) over the near future but steps have been taken to put into effect cost reductions by re-structuring which should result in a break-even position for the current year prior to any gift-aid from the subsidiary company. It is expected that no gift-aid will be received from the subsidiary company during the current year. The strategic plan for the next three years is being updated for the Trust and the Group to reflect changes that are occurring in the market place.

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 2004, the reserves were as follows:-

	Group 2004	Group 2003	Charity 2004	Charity 2003
Total Funds	1,483,850	1,495,295	1,478,976	1,188,860
Free Reserves (net current assets) (ie. those assets not tied up in fixed assets or designated or restricted funds).	1,003,133	958,222	833,232	463,174

1.3 The Trustees have resolved to hold free reserves in the Charity to approximately £450K and for the Group £750K. The current situation is that free reserves are in excess of these aims but it considered that these reserves are needed to accommodate the revised strategic plans of the group over the next three years.

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).

1.3.4 To meet the challenges in the changes in the market environment in which the Trust operates particularly over the next two/three years.

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). As explained above the results for the year have created a shortfall in this target which the company is seeking to address.

1.5 The total funds and free reserves of the Trust have increased during the year over and above the original levels set by the Trustees but the market environment is such that these funds will be required to support future activities and rationalisation within the Trust's and the Group's future activities and revision of strategic plan.

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 review the 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. However, the structure is somewhat flexible at present because of significant re-structuring being undertaken by government funded education organisations and the Trust and Group needs to be in a strong financial (free reserves) position to react thereto.

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. The Trustees are in meetings with independent financial advisors to consider the most appropriate methods of investment of funds.

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 14th September 2004 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 2004 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 2004 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: 14th September 2004

TRAINING TRUST (WALES)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 2004

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Income and Expenditure					
Incoming Resources					
Training & Enterprise Council Income	3	367,477	-	367,477	512,105
Investment income	3	251,252	-	251,252	315,508
Other income	3	102,578	-	102,578	79,919
Total Incoming Resources		<u>721,307</u>	<u>-</u>	<u>721,307</u>	<u>907,532</u>
Resources Expended					
Direct charitable expenditure	4	242,373	-	242,373	361,647
Fundraising and publicity	4	31,915	-	31,915	37,237
Management and administration of the Charity	4	140,201	-	140,201	151,826
Total Resources Expended		<u>414,489</u>	<u>-</u>	<u>414,489</u>	<u>550,710</u>
Net Incoming/(Outgoing) Resources before transfers		306,818	-	306,818	356,822
Transfers between funds		-	-	-	-
Net Incoming/(Outgoing) Resources for the year		306,818	-	306,818	356,822
Other Recognised Gains and Losses					
Gains (losses) on investments unrealised		-	-	-	-
Net Movement in Funds		<u>306,818</u>	<u>-</u>	<u>306,818</u>	<u>356,822</u>
Balances brought forward at		1,188,860	-	1,188,860	850,269
Deduct other adjustments - Charitable donations		(16,702)	-	(16,702)	(18,231)
Balance carried forward at 28th February 2004		<u>1,478,976</u>	<u>-</u>	<u>1,478,976</u>	<u>1,188,860</u>

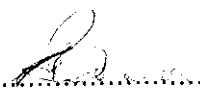
The notes on pages 8 to 13 form part of the accounts.

TRAINING TRUST (WALES)

BALANCE SHEET AT 28TH FEBRUARY 2004

	Notes	2004	2003 £
Fixed assets			
Tangible assets	8	428,782	439,261
Investments	9	<u>353,761</u>	<u>353,761</u>
		<u>782,543</u>	<u>793,022</u>
Current assets			
Debtors	10	34,568	49,460
Cash at bank and in hand		<u>849,448</u>	<u>537,263</u>
		<u>884,016</u>	<u>586,723</u>
Liabilities: amounts falling due within one year	11	<u>(50,784)</u>	<u>(123,549)</u>
Net current assets		<u>833,232</u>	<u>463,174</u>
Total assets less current liabilities		1,615,775	1,256,196
Liabilities: amounts falling due after more than one year	11	<u>(136,799)</u>	<u>(67,336)</u>
Net Assets		<u>1,478,976</u>	<u>1,188,860</u>
Funds			
Unrestricted	12	1,478,976	1,188,860
Restricted		<u>-</u>	<u>-</u>
		<u>1,478,976</u>	<u>1,188,860</u>

Approved by the Board on 14th September 2004 and signed on its behalf.


 Trustee
C HOARE

**Notes forming part of the financial statements
for the year ended 28th February 2004**

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 June 2002), 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	10,674	Allot. to Man. Costs - 10%	1,067
Salaries etc.	268,953	" " " " - 20%	53,791
Dep'n. and cross-charge from subsidiary re. fixed asset usage	31,024	" " " " - 10%	3,102

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 2004.
- (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 (2003 - Nil)

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

	Unrestrict. £	Restricted £	2004 Total £	2003 Total £
Training and Enterprise Council Income	367,477	Nil	367,477	512,105
Other Income:				
Grant	7,000	-	7,000	-
Membership Fees	37,481	-	37,481	19,604
Consultancy	11,044	-	11,044	22,453
Course Fees	47,053	-	47,053	37,862
	102,578	-	102,578	79,919
Investment Income				
Gift Aid Received	220,000	-	220,000	280,000
Rents	17,532	-	17,532	17,868
Bank & Building Society Interest	13,720	-	13,720	17,640
	251,252	-	251,252	315,508
Total Income	721,307	-	721,307	907,532

4. Total Resources Expended

	Direct Charitable Expenditure £	Fund- raising & publicity £	Manage- ment & Admin. £	2004 Total £	2003 Total £
Training and Course Costs	34,509			34,509	47,724
Legal & Professional			6,846	6,846	14,970
Property Costs			10,674	10,674	22,538
Irrecoverable VAT			-	-	-
Salaries and Staff Development	169,233	15,833	83,887	268,953	345,855
Reproduction Costs			910	910	990
Bad Debts			-	-	-
Depreciation	20,947		10,077	31,024	30,664
Finance Costs			399	399	849
Marketing & Sales Services		15,734	-	15,734	27,512
Travel & Motor	17,684	348	6,661	24,693	38,734
Telephones and computers			9,869	9,869	6,565
Postages, stationery			5,680	5,680	7,799
Audit Fees			3,583	3,583	3,840
Donations & Subscriptions			1,615	1,615	2,670
TOTAL RESOURCES EXPENDED	242,373	31,915	140,201	414,489	550,710

5. Net incoming resources for the year

This is stated after charging:

	2004	2003 £
Depreciation	31,024	30,664
Management committee's remuneration	Nil	Nil
Auditors' remuneration		
Audit services	3,583	3,840
	=====	=====

6. Staff costs and numbers

	2004	2003 £
Wages and salaries	234,639	298,813
Social security costs	14,072	20,610
Pension costs, life assurances	19,931	20,741
Staff development & recruitment	311	5,691
	268,953	345,855
	=====	=====

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:

	2004 No.	2003 No.
Training and Education Services	4	5
Management and Administration	3	3
	7	8
	=====	=====

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 2003	556,440	556,440
Additions in year	-	-
At 28 February 2004	<u>556,440</u>	<u>556,440</u>
Depreciation		
At 1 March 2003	117,179	117,179
Charge for the year	<u>10,479</u>	<u>10,479</u>
	<u>127,658</u>	<u>127,658</u>
At 28 February 2004		
Net book value		
At 28 February 2004	<u>428,782</u>	<u>428,782</u>
At 28 February 2003	<u>439,261</u>	<u>439,261</u>

9. Investments

	2004 £	2003 £
Investment in wholly owned subsidiary company, at cost at 1 March 2003	353,761	353,761
Additions	-	-
Disposals	<u>-</u>	<u>-</u>
At 28 February 2004 (at historical cost)	<u>353,761</u>	<u>353,761</u>

10. Debtors

Contract income receivable re. education provision	34,568	49,278
Other debtors and prepayments	<u>-</u>	<u>182</u>
	<u>34,568</u>	<u>49,460</u>

11. Creditors: amounts falling due within one year

Training scheme creditor	36,002	31,850
Accruals and other creditors	7,377	75,684
Trade creditors	4,180	16,015
Bank	<u>3,225</u>	<u>-</u>
	<u>50,784</u>	<u>123,549</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.

136,799	67,336
<u>136,799</u>	<u>67,336</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	428,782	-	-	428,782
Investments	353,761	-	-	353,761
Current assets	884,016	-	-	884,016
Current liabilities	(50,784)	-	-	(50,784)
Long term liabilities	(136,799)	-	-	(136,799)
Net assets at 28th February 2004	1,478,976	-	-	1,478,976

13. Movements in funds

	At 1st March 2003 £	Incoming Resources £	Outgoing Resources £	Donations Paid 2003 £	At 28th February 2004 £
Restricted Funds	-	-	-	-	-
Unrestricted funds:					
Designated funds	-	-	-	-	-
General funds	1,188,860	721,307	(414,489)	(16,702)	1,478,976
Total unrestricted funds	1,188,860	721,307	(414,489)	(16,702)	1,478,976
Total funds	1,188,860	721,307	(414,489)	(16,702)	1,478,976

The directors review the level of charitable donations to be made subsequent to the year end.
The donations paid in 2004 relate to the review by the directors of the 2003 financial position of the Trust.

TRAINING TRUST (WALES)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2004

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	{	
	{	£3,150
R Partridge	{	

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 £862.

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 2004

	2004	2003
Sources of Funds:-		
Profit/(Loss) for the year after charging depreciation but before investment income.	24,656	23,083
Depreciation	<u>10,479</u>	<u>10,691</u>
Net cash inflow (outflow) from operating activities	35,135	33,774
Investment Income		
Covenant Received	220,000	280,000
Rents received	17,532	17,868
Interest received	<u>13,720</u>	<u>17,640</u>
Net cash inflow (outflow) before management of liquid resources and financing	286,387	349,282
(Decrease)/Increase in funding from subsidiary company	<u>83,671</u>	<u>(299,116)</u>
	370,058	50,166
deduct: Expenditure on tangible fixed assets	<u>-</u>	<u>-</u>
	370,058	50,166
deduct: Movement in Working Capital requirements		
Decrease in Debtors	14,892	91,312
(Decrease)/Increase re. Creditors	<u>(72,765)</u>	<u>43,393</u>
	<u>(57,873)</u>	<u>134,705</u>
	312,185	184,871
Increase in Cash Resources for the year		
Cash resources at 1st March 2003	<u>537,263</u>	<u>352,392</u>
Cash resources at 28th February 2004	£ 849,448	£ 537,263
	=====	=====
Analysis of Cash Resources		
Bank accounts	-	17,263
Short term deposit account	<u>849,448</u>	<u>520,000</u>
	£ 849,448	£ 537,263
	=====	=====

TRAINING SERVICES (WALES) LIMITED

BALANCE SHEET - 28TH FEBRUARY 2004

		2004	2003
		£	£
	Note		
FIXED ASSETS			
Tangible assets	7	51,934	97,511
Intangible assets	7a	-	-
Due from holding company		136,799	67,336
INVESTMENT IN SUBSIDIARY COMPANY			
	14	1	1
CURRENT ASSETS			
Debtors	8	242,201	740,814
Cash at bank and in hand		<u>52,021</u>	<u>394,538</u>
		294,222	1,135,352
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	<u>(124,321)</u>	<u>(640,004)</u>
NET CURRENT ASSETS			
		<u>169,901</u>	<u>495,348</u>
		358,635	660,196
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR			
	12	-	-
OWING TO HOLDING COMPANY			
	13	<u>-</u>	<u>-</u>
NET ASSETS			
		£ 358,635	£ 660,196
		=====	=====
CAPITAL AND RESERVES			
Share capital	13	353,761	353,761
Profit and Loss Account	11	<u>4,874</u>	<u>306,435</u>
		£ 358,635	£ 660,196
		=====	=====

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 14th September 2004 and signed on its behalf.

..... Director

I. KELSALL

..... Director

A. MORGAN

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