

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

Report and Financial Statements

Year ended 28 February 2007

Charity No 518759
Company No 894742

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Training Trust (Wales)
Company No 0894742
Charity No 518759

Report of the Directors
For the Year Ending 28th February 2007

Legal & Administrative Information

Background

Training Trust (Wales) is an independent learning, education trust, a registered charity and a company limited by guarantee, originally incorporated as a not-for-profit organisation on 23rd December 1966 and registered as a charity on 8th December 1978

Operating under the trading name of TSW, the Trust is governed by its Memorandum and Articles of Association. Its purpose is -

“to promote and advance the learning and development of people who are, or intend to be, employed or self-employed in industry, commerce, business, voluntary and other public organisations”

This it achieves through the development of leaders, managers and organisational performance, along with the delivery of workforce skills and vocational qualification training

Working with leading organisations from the private, public and third sector, TSW offers an extensive portfolio of learning programmes, coupled with expert advice on adding value through the skills and performance of people

TSW operates two distinct but entwined client service delivery streams:

TSW Training Solutions Delivering vocational training in the fields of Management, Engineering, Customer Service and Advice and Guidance

TSW Management Solutions Providing a portfolio of services and development interventions from Leadership and Management through to Organisational Change and Performance Development Consultancy

Operating through the Trust, TSW operates a profit for purpose business model which enables it to consistently invest in staff, products and services to our clients and the wider community

Vision

To be the most respected, creative and sought after people and organisational development company in Wales

Mission

To advance the development of high performance life-long learning at all organisational levels thereby helping to create a positive difference to individuals, business and the wider community

Training Trust (Wales) is governed by a Board of Directors who are the Trustees of the Charity. They make an invaluable contribution to the strategic direction of the organisation and in establishing policy. The Trustees meet a minimum of four times a year at three-month intervals. New Trustees are continuously being sought to ensure that the Board contains an appropriate balance of experience relevant to the operations of Training Trust (Wales). Currently, the Board consists of business people from a variety of commercial and public backgrounds, and is pledged to recruit new members with a range of skills over the next few years.

Board of Trustees Training Trust (Wales)

Mr Brian Lakin, Chairman (due for retirement 2007) – Chairman of Sigma 3 Kitchens Ltd

Mr Cy Hoare (retired 2006) – retired MD of FSG Tool and Die Ltd

Mr John Bevan, OBE (re-elected 2006) – Business Consultant

Mr Richard Partridge (re-elected 2005) – MD Commercial Division, Sigma 3 Kitchens

Mr Barry Hitchcock (re-elected 2005) – Business Advisor, Business in Focus

Mrs Tracey Thomas (appointed 2005) – Head of HR and Development, Merthyr CBC

Secretary

Mr Charles Middleton

Registered Office and Operation Address

Fairwood House, Rhyd Lane, Aberkenfig, Bridgend, South Wales CF32 9PW

Auditors

Curtis, Bowden & Thomas Ltd
101 Dunraven Street
Tonypandy
Mid Glamorgan
CF40 1AR

Bankers

Barclays Bank plc
Dunraven Place
Bridgend
South Wales

Solicitors

Eversheds, Cardiff
Stone King LLP, Bath

Overall responsibility of day to day operations is delegated to full time Executive Management Charles Middleton is the Chief Executive and leads the management team within the organisation

Review of the Past Year

General Progress

The 2006/2007 year focused on the second year of a two year recovery plan aimed at improving the organisation's financial performance and providing a more stable business platform. It is pleasing to report that a successful turnaround has been achieved, with increases to top line growth and a further positive shift in surplus over the prior year.

There were positive shifts in income generation across the board, notably in Training Solutions which achieved 25% growth. This, coupled with a growth in Management Solutions of 10%, has met the short term strategic objective of consolidating the organisations performance providing a more stable longer term sustainable platform for the business to operate from.

Our core market in South Wales continues to be over supplied, mature and margin sensitive. Under these conditions, achieving future organic growth will be challenging and probably slow in pace.

The core strategic objectives over the past two years were

- to reduce costs,
- to increase income growth, particularly in our core business (Training Solutions),
- to achieve high levels of client retention through service excellence

In overall terms, we have achieved success in the above areas. Particular achievement has been gained in the following areas

- DELLS (Department of Education and Lifelong Learning) Performance Review – achieved the highest quality grading in an assessment which, in turn, secured growth in the Training Solutions contract
- Linked to the above, the Training Solutions self-assessment report was of sufficient standard for DELLS to use as a Benchmark Model
- Successfully submitted a new tender to DELLS for a three year work based learning contract
- Training Solutions continuously over-performed on both contract value and quality, resulting in a significant increase in income. From 105 work-based providers in Wales, our contract performance was in the top 5 over the year
- Within Management Solutions, we successfully re-tendered to maintain approved provider status from Welsh Assembly Government funded programmes in Leadership and Management and became one of only twelve Approved organisations in Wales
- Linked to the above, we achieved upgraded approval through DELLS to deliver Leadership/Management at senior level

In summary, the organisation has continued to develop its product range combined with raising the quality of service and delivery. This is confirmed by the expansion of contract values and the overall client base during the year.

The Future

During the past year, we took a searching look at the organisations strategies in order to ensure that plans were in place to secure the longer term sustainability of the business.

The underpinning challenge we face is an increasingly competitive and oversupplied market place in Wales. There is a high degree of margin sensitivity and, under these conditions, achieving continued organic growth and longer term financial sustainability will prove to be very challenging.

Research undertaken shows that the future UK training market projection (5 years) indicates a continuation of competitor-saturation and low levels of return.

Given this strategic background, the outcome of the review was to investigate the route of merger/acquisition, this being seen as a key strategic option in securing the longer term future of the organisation.

This process was initiated during the second half of the 2006 year and is continuing. There is a target set for completion prior to December 2007. Simultaneously, the organisation will continue to invest in people and services to meet the many challenges and opportunities that it will face in the current competitive and uncertain training market place in Wales.

A SELECTION OF OUR CLIENTS

- ACCO (UK) Ltd
- BBC
- Bayer Diagnostics
- Borg Warner
- Bridgend County Borough Council
- Cardiff City Transport Services Ltd

- Cardiff County Borough Council
- Celsa
- Companies House
- DARA (Defence Aviation Repair Authority)
- Department for Education, Lifelong Learning & Skills (DELLS)
- Dow Corning
- FSG (Tool & Die) Ltd
- Groundwork Wales
- Jehu
- J H Leeke & Sons Ltd
- Mid & West Wales Fire Service
- National Probation Service
- National Museums and Galleries of Wales
- Neath Port Talbot County Borough Council
- Norgine
- Ofsted
- Princes' Trust
- Protherics plc
- Sigma 3 Kitchens Ltd
- South Wales Fire and Rescue
- South Wales Police
- Staedtler
- Velindre NHS Trust
- WCVA (Wales Council for Voluntary Action)
- Welsh Assembly Government
- Welsh Blood Service

We are an Approved Centre for

SEMTA - Science, Engineering and Manufacturing Technologies Alliance
 OCR - Oxford, Cambridge and RSA Examinations
 EdExcel - BTEC London Examinations
 ILM - Institute for Leadership & Management
 IOSH - Institution of Occupational Safety & Health
 CIEH - Chartered Institute of Environmental Health
 IIE - Institute of Incorporated Engineers

 S-cat - OCG Buying Solutions

We are pleased to be Members of

Institute of Directors
 Business in the Community
 Confederation of British Industry
 Chamber of Commerce
 Institute of Leadership and Management
 Education Business Partnership
 Royal Society for the Prevention of Accident
 Chartered Institute of Personnel Development
Community Involvement and Support

Our corporate social responsibility is the visible way that we demonstrate our commitment to the community
 This currently takes the form of -

- Staff Skills
- Staff Time
- Donations in Kind

- Financial contributions and sponsorship
- Use of our facilities
- Scholarships – Bursaries

We are pleased to support those projects with which we are linked through a common purpose – i.e. projects which focus on the encouragement and sponsorship of young people to progress their personal development through education and business. We are continuously exploring new opportunities in this area and reviewing our commitment.

We currently support the following

1 Training Trust (Wales) Bursaries

Over the past four years the Trust has supported three local students in entering University. Two have successfully completed their courses. Currently we have one student completing his first year in Engineering at Cardiff University July 2007. Through our open selection process we are very pleased to offer a bursary to our first female student who will commence her studies in September 2007. This maintains our commitment of offering at least one bursary each year to local schools.

Close links are maintained with the students currently benefiting from our support. This is achieved through visits and year end reports.

2 Leading Wales Awards

We have been pleased to support and sponsor once again, the Public Sector Category of the Leading Wales Awards, inaugurated in February 2005. These awards recognise outstanding leadership across all sectors in Wales – private, public and voluntary.

3 Business in the Community

The Chief Executive is a Board member of BITC Wales, also acting as Chairman of the Business Leaders Economic Regeneration Group, developing the corporate responsibility of businesses in Wales by developing community excellence and engaging in partnership to tackle disadvantage. Meetings are held at Fairwood House approximately six times a year.

4 The Prince's Trust – Cymru

- i Provides Mentors to young people from our workforce
- ii Chief Executive acts as Mentor for a young business person
- iii Assists Prince's Trust personnel to obtain NVQ level 3 in Advice and Guidance. This was partly funded by Elwa but there was a gap in the funding and TSW was prepared to assist without payment.
- iv Trust provides financial sponsorship of three xL Clubs attached to local schools

5 Bridgend Community Consortium for Education and Training (CCET)

Looking at the needs of young learners aged between 14-19 years as a collaborative body of schools, employers, training providers and colleges to enhance learning provision and opportunities.

- i CCET meetings are held at Fairwood House each month
- ii One of our Trustees is the Chair of the local CCET

Results

The company achieved a profit during the year in the sum of £29,236 (£54,141 - 2006)

No Covenant was received from Training Services Wales Limited this year

Income amounted to £1,081,827 compared with £627,372 in 2006 Expenditure amounted to £1,052,591 (£573,231 in 2006) leaving net incoming resources of £29,236 (£54,141 in 2005)

The company paid out £13,300 donations which relate to the Trustees policy of making donations The Fund balance now stands at £1,557,413 compared with £1,541,477 at the previous year end

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

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 continuing uncertainty with a major customer (E L W A Funded Programmes) in the future but steps have been taken to put into effect cost reductions by restructuring which should result in a profitable position for the current year 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

The charity is also investigating the possibility of acquisition in order to increase and develop its existing activities

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 2007, the reserves were as follows -

	Group 2007	Group 2006	Charity 2006
Total Funds	1,722,768	1,360,208	1,541,477
Free Reserves (net current assets)	1,274,526	915,721	899,554

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

Origin and Need for Reserves Contd...

- 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 is 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 by 28th February 2007
- 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

Review and Monitoring Process Contd

- 3 2 The Charity intends to reserve up to one year's operating costs. However, the structure is somewhat flexible at present because of significant restructuring 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 fair 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

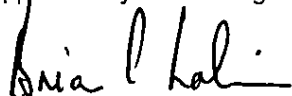
Members of the management committee, who are directors, for the purpose of the company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Auditors

Curtis Bowden & Thomas Limited 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 issued in March 2005 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 25th September 2007 and signed on its behalf by



(Trustee)

Independent Auditor's Report to the Trustees of Training Trust (Wales)

We have audited the financial statements of TRAINING TRUST (WALES) for the year ended 28 February 2007, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

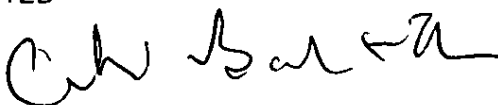
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 28th February 2007 and of its incoming resources and application of resources for the year then ended, and
- * The financial statements have been properly prepared in accordance with the Charities Act 1993.

CURTIS, BOWDEN & THOMAS LIMITED
101 Dunraven Street
Tonypandy
Rhondda Cynon Taff
CF40 1AR



Dated 25th September 2007

TRAINING TRUST (WALES)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 2007

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Incoming Resources					
Incoming Resources from Generated Funds					
Investment Income	5	40,951	-	40,951	50,556
Incoming Resources from Charitable Activities					
Work Force Development Funded Courses		677,145	-	677,145	472,093
Other Income	5	363,731	-	363,731	104,723
Total Incoming Resources		1,081,827	-	1,081,827	627,372
Resources Expended					
Direct charitable expenditure	6	774,511	-	774,511	405,772
Fundraising and publicity	6	40,774	-	40,774	16,381
Governance	6	237,306	-	237,306	151,078
Total Resources Expended		1,052,591	-	1,052,591	573,231
Net Incoming Resources for the year		29,236	-	29,236	54,141
Other Recognised Gains and Losses					
Gains (losses) on investments unrealised		-	-	-	-
Net Movement in Funds		29,236	-	29,236	54,141
Balances brought forward at 1st March 2006		1,541,477	-	1,541,477	1,500,161
Deduct other adjustments					
- Charitable donations		(13,300)	-	(13,300)	(12,825)
Balance carried forward at 28th February 2007		1,557,413	-	1,557,413	1,541,477

The statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activity.

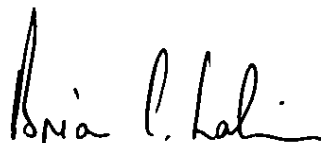
The notes on pages 16 to 22 form part of the accounts.

TRAINING TRUST (WALES)

BALANCE SHEET AT 28TH FEBRUARY 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	10	448,241	444,486
Investments	11	<u>353,761</u>	<u>353,761</u>
		<u>802,002</u>	<u>798,247</u>
Current assets			
Debtors	12	146,548	154,883
Cash at bank and in hand		<u>1,027,209</u>	<u>873,343</u>
		<u>1,173,757</u>	<u>1,028,226</u>
Liabilities: amounts falling due within one year	13	<u>(233,990)</u>	<u>(138,672)</u>
Net current assets		<u>939,767</u>	<u>889,554</u>
Total assets less current liabilities		1,741,769	1,687,801
Liabilities amounts falling due after more than one year	13	<u>(184,356)</u>	<u>(146,324)</u>
Net Assets		<u>1,557,413</u>	<u>1,541,477</u>
Funds			
Unrestricted	14	1,557,413	1,541,477
Restricted		<u>-</u>	<u>-</u>
		<u>1,557,413</u>	<u>1,541,477</u>

The financial statements were approved by the Board on 25th September 2007 and signed on its behalf



Trustee

TRAINING TRUST (WALES)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2007

1 ACCOUNTING POLICIES

a Basis of Accounting

The financial statements have been prepared under the historical cost convention. The accounts are in accordance with applicable accounting standards, the charities SORP 2005 (Accounts and Reporting by Charities) and comply with the charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.

b Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

c Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- * Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. There was no voluntary income during the year.
- * Investment income is included when receivable.
- * Incoming resources from charitable trading activity are accounted for when earned.
- * Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

TRAINING TRUST (WALES)

Notes forming part of the Financial Statements for the year ended 28th February 2007

(d) Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- * Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- * Fundraising and publicity expenditure relate to marketing and sales services.
- * Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- * All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

(e) Fixed Assets

Fixed assets apart from freehold property are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows -

Fixtures and fittings	-	20% or 33% straight line
Motor vehicles	-	25% straight line

Freehold property is stated at cost less accumulated depreciation up to 28th February 2005. Up to 28th February 2005 a depreciation rate of 20% per annum on the straight line basis was in operation. However, during the current year the trustees have opted to operate a nil % depreciation rate.

- (f) Investment in wholly owned subsidiary (Training Services (Wales) Limited) is included at historical cost. Page 24 shows a summary of the subsidiary company's balance sheet at 28th February 2007.

(g) Pensions

Employees of the charity are entitled to join a defined contribution "money purchase" scheme. The charity contribution is restricted to the contribution disclosed. There were no outstanding contributions at year end.

2 STATUS

The association is an unincorporated association and is registered as a charity.

3 TAXATION

The association is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

TRAINING TRUST (WALES)

Notes forming part of the Financial Statements for the year ended 28th February 2007

4 DONATIONS

There were no donations received during the year (2006 - Nil)

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES AND GENERATED FUNDS

	Unrestrict	Restricted	2007 Total	2006 Total
Other Income				
Membership Fees	21,924	-	21,924	26,950
Consultancy	1,020	-	1,020	400
Course Fees	<u>340,787</u>	<u>-</u>	<u>340,787</u>	<u>77,373</u>
	363,731	-	363,731	104,723
	=====	=====	=====	=====
Investment Income				
Rents	-	-	-	13,668
Bank & Building Society Interest	<u>40,951</u>	<u>-</u>	<u>40,951</u>	<u>36,888</u>
	<u>40,951</u>	<u>-</u>	<u>40,951</u>	<u>50,556</u>
	=====	=====	=====	=====

6 TOTAL RESOURCES EXPENDED

	Direct Charitable Expenditure £	Fund- raising & publicity £	Manage- ment & Admin £	2007 Total £	2006 Total £
Training and Course Costs	212,468			212,468	74,634
Legal & Professional			10,875	10,875	12,832
Property Costs			37,486	37,486	28,317
Irrecoverable VAT			5,118	5,118	4,387
Partial VAT exemption adjustments			20,000	20,000	-
Salaries and Staff Development	511,442		102,145	613,587	363,858
Reproduction Costs			6,198	6,198	2,660
Bad Debts			1,140	1,140	-
Depreciation	13,453		-	13,453	15,000
Finance Costs			852	852	386
Marketing & Sales Services		40,774	-	40,774	16,381
Travel & Motor	37,148		6,558	43,706	25,221
Telephones and computers			21,386	21,386	16,571
Postages, stationery			13,736	13,736	8,357
Audit Fees			6,270	6,270	2,699
Donations & Subscriptions			<u>5,542</u>	<u>5,542</u>	<u>1,928</u>
TOTAL RESOURCES EXPENDED	<u>774,511</u>	<u>40,774</u>	<u>237,306</u>	<u>1,052,591</u>	<u>573,231</u>
	=====	=====	=====	=====	=====

TRAINING TRUST (WALES)

Notes forming part of the Financial Statements for the year ended 28th February 2007

7 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2007 £	2006 £
Depreciation	13,453	15,000
Management committee's remuneration	Nil	Nil
Auditors' remuneration		
Audit services	6,270	2,699
Legal & Professional fees	10,875	12,832
	=====	=====

8 STAFF COSTS AND NUMBERS

	2007 £	2006 £
Wages and salaries	484,019	300,834
Social security costs	46,534	22,126
Pension costs, life assurances	74,606	40,599
Staff development & recruitment	8,428	299
	<u>613,587</u>	<u>363,858</u>
	=====	=====

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

	2007 No	2006 No
Training and Education Services	12	7
Management and Administration	9	3
	<u>21</u>	<u>10</u>
	=====	=====

9 TAXATION

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

TRAINING TRUST (WALES)

Notes forming part of the Financial Statements for the year ended 28th February 2007

10 TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Motor Vehicles	Freehold Land & Buildings £	Total £
Cost				
At 1 March 2006	22,917	7,228	556,440	586,585
Additions in year	13,734	-	3,516	17,250
At 28 February 2007	<u>36,651</u>	<u>7,228</u>	<u>559,956</u>	<u>603,835</u>
Depreciation				
At 1 March 2006	1,777	2,185	138,137	142,099
Charge for the year	8,452	5,043	-	13,495
At 28 February 2007	<u>10,229</u>	<u>7,228</u>	<u>138,137</u>	<u>155,594</u>
Net book value				
At 28 February 2007	<u>26,422</u>	<u>-</u>	<u>421,819</u>	<u>448,241</u>
At 28th February 2006	<u>21,140</u>	<u>5,043</u>	<u>418,303</u>	<u>444,486</u>

11 INVESTMENTS

	2007 £	2006 £
Investment in wholly owned subsidiary company, at cost		
at 1 March 2006	353,761	353,761
Additions	-	-
Disposals	<u>-</u>	<u>-</u>
At 28 February 2007 (at historical cost)	<u>353,761</u>	<u>353,761</u>

12 DEBTORS

Contract income receivable re education provision	131,901	138,754
Other debtors and prepayments	14,647	16,129
	<u>146,548</u>	<u>154,883</u>

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

Training scheme creditor	53,016	27,410
Accruals and other creditors	131,490	97,401
Trade creditors	13,770	13,861
Taxation and Social Security	35,614	-
Bank	100	-
	<u>233,990</u>	<u>138,672</u>

Liabilities - Falling due after more than one year.

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

No Fixed term for repayment	184,356	146,324
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The Trustees and the Board continue to review the basis for repayment of this inter-company account on a quarterly basis

TRAINING TRUST (WALES)

Notes forming part of the Financial Statements for the year ended 28th February 2007

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	448,241	-	-	448,241
Investments	353,761	-	-	353,761
Current assets	1,173,757	-	-	1,173,757
Current liabilities	(233,990)	-	-	(233,990)
Long term liabilities	(184,356)	-	-	(184,356)
Net assets at 28th February 2007	1,557,413	-	-	1,557,413

15 MOVEMENTS IN FUNDS

	At 1st March 2006 £	Incoming Resources £	Outgoing Resources £	Donations Paid 2006 £	At 28th February 2007 £
Restricted Funds	-	-	-	-	-
Unrestricted funds.					
Designated funds	-	-	-	-	-
General funds	1,541,477	1,081,827	(1,052,591)	(13,300)	1,557,413
Total unrestricted funds	1,541,477	1,081,827	(1,052,591)	(13,300)	1,557,413
Total funds	1,541,477	1,081,827	(1,052,591)	(13,300)	1,557,413

TRAINING TRUST (WALES)

Notes forming part of the Financial Statements for the year ended 28th February 2007

16 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.

17 RELATED PARTY TRANSACTIONS

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

B Lakin	{	
	{	6,215
R Partridge	{	
B Hitchcock	{	411

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.

18 PENSION SCHEME

The charity operates money purchase pension schemes for its employees.

19 TRUSTEES REMUNERATION

No Trustee received any remuneration or re-imbursment of expenses during the year.

TRAINING TRUST (WALES)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 28TH FEBRUARY 2007

	2007	2006
Sources of Funds.-		
Profit/(Loss) for the year after charging depreciation but before investment income	(25,015)	(9,240)
Depreciation	<u>13,495</u>	<u>3,962</u>
Net cash inflow (outflow) from operating activities	(11,520)	(5,278)
Investment Income		
Rents received	-	13,668
Interest received	<u>40,951</u>	<u>36,888</u>
Net cash inflow (outflow) before management of liquid resources and financing	29,431	45,278
(Decrease)/Increase in funding from subsidiary company	<u>38,032</u>	<u>(20,281)</u>
	67,463	24,997
deduct: Expenditure on tangible fixed assets	<u>(17,250)</u>	<u>(30,145)</u>
	50,213	(5,148)
deduct: Movement in Working Capital requirements		
(Increase) in Debtors	8,335	(84,914)
(Decrease)/Increase re Creditors	<u>95,318</u>	<u>87,574</u>
	<u>103,653</u>	<u>2,660</u>
	153,866	(2,488)
Increase in Cash Resources for the year		
Cash resources at 1st March 2006	<u>873,343</u>	<u>875,831</u>
Cash resources at 28th February 2007	£ 1,027,209	£ 873,343
	=====	=====
Analysis of Cash Resources		
Bank accounts	-	-
Short term deposit account	<u>1,027,209</u>	<u>873,343</u>
	£ 1,027,209	£ 873,343
	=====	=====

TRAINING SERVICES (WALES) LIMITED

BALANCE SHEET
28 FEBRUARY 2007

28 2 06				28 2 07
£	£		Notes	£
		FIXED ASSETS		
	-	Intangible assets	5	-
	-	Tangible assets	6	-
	146,325	Investments	7	184,357
	<u>146,325</u>			<u>184,357</u>
		CURRENT ASSETS		
6,849		Debtors	8	3,738
366,973		Cash at bank		332,897
				<u>336,635</u>
373,822				
		CREDITORS		
347,656		Amounts falling due within one year	9	1,876
				<u>1,876</u>
	26,166	NET CURRENT ASSETS		334,759
				<u>334,759</u>
	172,491	TOTAL ASSETS LESS CURRENT LIABILITIES		519,116
				<u>519,116</u>
		CAPITAL AND RESERVES		
353,760		Called up share capital	10	353,760
(181,269)		Profit and loss account	11	165,356
				<u>165,356</u>
	172,491	SHAREHOLDERS' FUNDS		519,116
				<u>519,116</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the director on 25 September 2007 and were signed by

Director

The notes form part of these financial statements