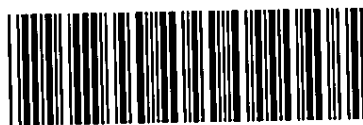


TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES
REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 25TH OCTOBER 2007

Charity No 518759

Company No 894742

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TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

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Training Trust (Wales) and its Subsidiary Companies
Company No 0894742
Charity No 518759

Report of the Directors
For the period ending 25th October 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 (re-elected 2007) – Chairman of Sigma 3 Kitchens 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
Tonypany
Mid Glamorgan
CF40 1AR

Bankers

Barclays Bank plc
Dunraven Place
Bridgend
South Wales

Solicitors

Capital Law, 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 period continued to focus on improving the organisations financial performance and longer term future In relation to it's recovery plan, there were positive shifts in income generation albeit smaller than planned, this coupled with strict control over costs has met the shorter term objective of stabilising the organisations performance

In overall terms, the past 3 years, 2003 – 2006 has seen the company experience increased levels of uncertainty particularly around sales growth and surplus generation This period has been one of retrenchment and consolidation, with the primary aim being to stabilise the financial performance of the organisation returning to a clear surplus position by the year end February 2007

Our core market in South Wales continues to be over supplied mature and margin sensitive Where conditions are becoming more entrenched, and the longer term capacity to maintain financial stability is becoming more challenging

In tandem and in reaction to the above, in early 2006, the organisation undertook a strategic review of the business over the coming 3-5 years

Taking account of current market experience and broader UK research, into the training industry, the key concern was maintaining a healthy and balanced financial performance within the organisation over the next 3-5 years This is critically linked to not continuing to support loss making at the expense of depleting our reserve fund

The strategic view was to engage on a route of merger-acquisition which convened in mid 2006 Discussions were entered with four separate Welsh based training organisations This process was actioned over 6 months, the outcome for a variety of reasons was not successful

In January 2007, a further board review was undertaken with professional advice taken both legally and via the Charity Commission It was agreed that the option of selling TSW should be pursued The main advantage being low risk and most importantly the protection and future use of the charity's assets under Training Trust Wales

The process was initiated in March 2007 under the professional guidance of Haines/Watts Corporate Financial Experts The process was offered as open tender to the market The target to complete was agreed as the end of September 2007

During the 6 months period through Haines/Watts initial interest was generated from four organisations Meetings were held with all companies and eventually one remained as a serious contender In August a late bid was made by the company's (TSW) management team This in turn, required extending the September deadline to the end of October The most beneficial bid for the Trust came from the management team proposal The outcome being that the goodwill of TSW was sold as a management buyout on 25th October 2007

The Future

In relation to the future, it is the Boards' intention to continue to operate Training Trust (Wales) as a stand alone non trading charity The current beneficial grouping of education and training will continue The Trust is now in a state of reformation, and research is being undertaken into the structure and future beneficiaries within our community in South Wales It is planned that the Trust will officially commence operation in September 2008 In the meantime, support of our present range beneficiaries will continue

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
 EdExce - 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 English Speaking Union (South Wales)

The Trust provides support in the schools, heats and Welsh finals of the public speaking and debating competition. This in turn feeds into the UK national competition finals.

Financial Result and Future Activities

Income for the Group was £1,013,355 (£1,431,106 for the year ended 28th February 2007) and expenditure £718,226 (£1,055,246 for the Year ended 28th February 2007) resulting in a net incoming resources of £295,129 compared with net incoming resources of £375,860 for the year ended 28th February 2007

The Group made a profit of £276,504 for the period thereby increasing reserves from £1,722,768 at February 2007 to £1 999,272 at October 2007 The Trust made a profit of £316 458 and the subsidiary made a profit of £8 671 before a gift aid payment of £30 000 for Training Trust (Wales) Donations were paid in the sum of £18,625 in accordance with the Trustees policy thereon

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 Specialised advice is being taken from meetings with independent financial advisors as to the most appropriate method of investment

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 25th October 2007, the reserves were as follows

	Group 28/10/07	Charity 25/10/07	Group 28/02/07	Charity 25/10/07
Total Fund	1,999,272	1,855,246	1,722,768	1,557,413
Free Reserves (net current assets)	1,576,032	1,285,563	1,274,526	939,767

(i e Those assets not tied up in fixed assets or designated or restricted funds)

- 1 3 The trustees have previously resolved to hold free reserves in the Charity to approximately £450K and for Group £750k

- 1 3 1 To build an investment portfolio, the income of which can contribute toward its core costs and distribution to beneficiaries

- 1 4 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

Maintenance of Reserves at agreed level

With the sale of the trading arm of the charity, the group is in a period of transition and the reserve policy is currently under discussion by the Trustees

However, in the early years, the intention of the trustees is to donate as a minimum, an amount equal to investment income less operating costs for charitable purposes

Review and Monitoring Process

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

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 PERIOD ENDED 25TH OCTOBER 2007

Trustees

R Patridge
B Hitchcock
J Bevan
B Lakin
T Thomas

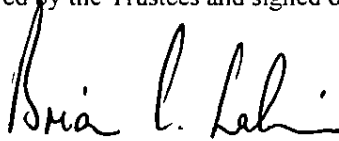
Statement of trustees' responsibilities

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 the 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



Dated 2nd September 2008

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

Independent Auditor's Report to the Trustees of Training Trust (Wales) and its Subsidiary Companies

We have audited the financial statements of Training Trust (Wales) and its Subsidiary Companies for the period ended 25th October 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 of 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 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 Practice 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 25th October 2007 and of its incoming resources and application of resources for the period then ended, and
- the financial statements have been properly prepared in accordance with the Charities Act 1993

Curtis Bowden & Thomas

CURTIS BOWDEN AND THOMAS LIMITED

101 Dunraven Street

Tonypandy

Rhondda Cynon Taff

CF40 1AR

Date 2nd September 2008

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 25TH OCTOBER 2007

	28/10/2007		28/02/2007	
	Group £	Charity £	Group £	Charity £
Incoming Resources - UNRESTRICTED FUNDS				
Incoming resources from Generated fund				
Investment Income	47,673	37,901	55,895	40,951
Incoming resources from Charitable Activities				
Work force development funded courses	380,273	380,273	677,145	677,145
Other income	585,409	615,409	698,066	363,731
	<u>1,013,355</u>	<u>1,033,583</u>	<u>1,431,106</u>	<u>1,081,827</u>
Expenditure				
Total resources expended (note 4)				
Fund raising & publicity	14,491	14,491	40,774	40,774
Governance	240,833	240,833	237,306	237,306
Direct charity expenditure	461,801	461,801	774,511	774,511
Subsidiary company's direct costs				
Subsidiary company's management and admin costs	1,101	-	2,655	-
	<u>718,226</u>	<u>717,125</u>	<u>1,055,246</u>	<u>1,052,591</u>
Total charitable expenditure		717,125		1,052,591
Total resources expended	718,226		1,055,246	
Incoming resources	<u>1,013,355</u>	<u>1,033,583</u>	<u>1,431,106</u>	<u>1,081,827</u>
Net Incoming/(Outgoing) resources	295,129	316,458	375,860	29,236
Taxation (note 23)	-	-	-	-
	<u>295,129</u>	<u>316,458</u>	<u>375,860</u>	<u>29,236</u>
Donations	(18,625)	(18,625)	(13,300)	(13,300)
Total funds brought forward	<u>1,722,768</u>	<u>1,557,413</u>	<u>1,360,208</u>	<u>1,541,477</u>
Total funds carried forward	<u>1,999,272</u>	<u>1,855,246</u>	<u>1,722,768</u>	<u>1,557,413</u>

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

All incoming resources and resources expended derive from continuing activities

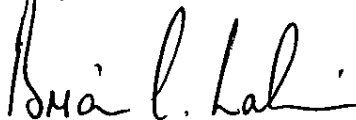
TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

BALANCE SHEET

AS AT 25TH OCTOBER 2007

		25/10/2007 Group	25/10/2007 Charity	28/02/2007 Group £	28/02/2007 Charity £
Fixed assets	Note				
Tangible assets	13	423,239	423,239	448,241	448,241
Investments	10	1	353,761	1	353,761
		<u>423,240</u>	<u>777,000</u>	<u>448,242</u>	<u>802,002</u>
Current assets					
Debtors	11	134,096	162,567	150,286	146,548
Cash at bank and in hand	12	1,590,280	1,270,838	1,360,106	1,027,209
		<u>1,724,376</u>	<u>1,433,405</u>	<u>1,510,392</u>	<u>1,173,757</u>
Creditors amounts falling due within one year	14	(148,344)	(147,842)	(235,866)	(233,990)
Net Current Assets		<u>1,576,032</u>	<u>1,285,563</u>	<u>1,274,526</u>	<u>939,767</u>
Total assets less current liabilities		1,999,272	2,062,563	1,722,768	1,741,769
Creditors amounts falling due after more than one year	15	-	(207,317)	-	(184,356)
Net assets		<u>1,999,272</u>	<u>1,855,246</u>	<u>1,722,768</u>	<u>1,557,413</u>
Funds					
Unrestricted funds		<u>1,999,272</u>	<u>1,855,246</u>	<u>1,722,768</u>	<u>1,557,413</u>

Approved by the Board of Trustees



Date 2nd September 2008

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED 25TH OCTOBER 2007

	25/10/2007		28/02/2007	
Sources of Funds	£	£	£	£
Profits (losses) for the year after charging depreciation, and excluding investment income		228,831		306,665
add				
Depreciation		<u>(4,257)</u>		<u>13,495</u>
Net cash inflow (outflow) from operating activities		233,088		320,160
Investment Income				
Rents		-		-
Interest		<u>47,673</u>		<u>55,895</u>
		<u>47,673</u>		<u>55,895</u>
Net cash inflow (outflow) before management of liquid resources and fundraising		280,761		376,055
add				
Net Proceeds sale of Fixed Assets		<u>20,745</u>		<u>-</u>
		301,506		376,055
deduct				
Expenditure of fixed assets financing			(17,250)	
				<u>(17,250)</u>
		301,506		358,805
deduct				
Movement in working Capital Requirements				
Decrease in debtors	16,190		11,446	
Increase in debtors	-		-	
Decrease in creditors	-		-	
Increase in creditors	<u>(87,522)</u>		<u>(250,461)</u>	
		<u>(71,332)</u>		<u>(239,015)</u>
Increase in cash resources for the year		230,174		119,790
Cash resources at 1st March 2007		<u>1,360,106</u>		<u>1,240,316</u>
Cash resources at 25th October 2007		<u>1,590,280</u>		<u>1,360,106</u>
Analysis of Cash Resources				
Donations account		10,925		18,800
Bank current account		1,000		1,000
Business premium account		1,578,355		1,339,157
Cash		<u>-</u>		<u>1,149</u>
		<u>1,590,280</u>		<u>1,360,106</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH OCTOBER 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 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 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.

d 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) AND ITS SUBSIDIARY COMPANIES

Notes forming part of the Financial Statements for the year ended 25th October 2007

(e) 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.

(f) 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.

(g) Fixed Asset Investment

Fixed asset investments are included at cost less for permanent diminution in value for depreciation.

(h) Pensions Schemes

The group operates money purchase pension schemes for employees.

(i) 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.

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH OCTOBER 2007

2 Other Income

	25/10/2007 Group £	25/10/2007 Charity £	28/02/2007 Group £	28/02/2007 Charity £
Membership fees	12,406	12,406	21,924	21,924
Consultancy	-	-	1,020	1,020
Goodwill generated on sale of TSW	400,000	400,000	-	-
Course fees	173,003	173,003	340,787	340,787
Exceptional Item	-	-	334,335	-
Gift Aid to Training Trust (Wales)	-	30,000	-	-
	<u>585,409</u>	<u>615,409</u>	<u>698,066</u>	<u>363,731</u>

3 Investment income and interest - unrestricted

	25/10/2007 Group £	25/10/2007 Charity £	28/02/2007 Group £	28/02/2007 Charity £
Deposit interest	<u>47,673</u>	<u>37,901</u>	<u>55,895</u>	<u>40,951</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25TH OCTOBER 2007

4 Total Resources Expended - Charity

	Fund raising & publicity	Management & Admin	Direct Charitable Expenses	25/10/2007 Total	28/02/2007 Total
Training course costs			91,667	91,667	212,468
Legal & professional		40,978		40,978	10,875
Establishment, property costs		24,729		24,729	37,486
VAT Interest and Penalties		1,874		1,874	-
Irrecoverable VAT		10,383		10,383	5,118
Partial VAT exemption adjustment		(2,191)		(2,191)	20,000
Salaries and staff development		128,464	343,041	471,505	613,587
Reproduction costs		3,085		3,085	6,198
Depreciation			4,257	4,257	13,453
Finance		690		690	852
Marketing & sales	14,491			14,491	40,774
Travel & motor		3,545	22,836	26,381	43,706
Telephones & Computers		10,825		10,825	21,386
Postages & stationery		7,496		7,496	13,736
Audit		7,320		7,320	6,270
Subscriptions & Donations		787		787	5,542
Bad debts		2,848		2,848	1,140
	14,491	240,833	461,801	717,125	1,052,591

	25/10/2007		28/02/2007	
	Group	Charity	Group	Charity
Summary				
Fund raising	14,491	14,491	40,774	40,774
Governance - Charity	240,833	240,833	237,306	237,306
Direct charity expenditure	461,801	461,801	774,511	774,511
Direct subsidiary company expenditure				
Subsidiary company management and Admin Costs	1,101		2,655	
	718,226	717,125	1,055,246	1,052,591

	25/10/2007		28/02/2007	
	Group	Charity	Group	Charity
This is stated after charging				
Depreciation	4,257	4,257	13,453	13,453
Auditors Remuneration	8,152	7,320	6,834	6,270
Legal & Professional charges	40,978	40,978	10,875	10,875

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE PERIOD ENDED 25TH OCTOBER 2007

5 Cost of activities in furtherance of the objects of the charity

Note 4 above details all costs allocated as direct charitable expenditure, totalling £461,801 (£774,511 - 2007)

6 Cost of managing and administering the charity

Full details schedule of these costs are set out in note 4 above

7 Net incoming resources

	25/10/2007 £	28/02/2007 £
This is stated after charging		
Auditors remuneration - statutory audit		
- audit	7,260	5,793
- other	60	60
Legal & Professional Fees	40,978	10,875
Directors Remuneration - Charged to Charity	57,576	79,473
- Charged to Subsidiary Company	-	-
	<u>105,874</u>	<u>96,201</u>

8 Employees and staff costs

	25/10/2007 £	28/02/2007 £
The average number of UK contracted employees throughout the year, calculated on a full time equivalent basis, was		
Management	3	4
Trainers	11	12
Administration	4	5
	<u>18</u>	<u>21</u>
	25/10/2007 £	28/02/2007 £
The costs of employing those staff was		
Salaries and wages	421,245	530,553
Pension schemes, life assurances	42,023	74,606
	<u>463,268</u>	<u>605,159</u>
Staff development costs	8,237	8,428
	<u>471,505</u>	<u>613,587</u>

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		
£50,000 to £60,000		
£60,000 to £70,000		
£70,000 to £80,000	1	1
Over £80,000		

9 Trustees' remuneration

Trustees are not remunerated

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES
FOR THE PERIOD ENDED 25TH OCTOBER 2007

10 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		

11 Debtors

	25/10/2007		28/02/2007	
	Group £	Charity £	Group £	Charity £
Contract receivables	100,825	100,825	131,901	131,901
Prepayments and accrued income	33,271	61,742	18,385	14,647
	<u>134,096</u>	<u>162,567</u>	<u>150,286</u>	<u>146,548</u>

12 Cash and bank balances

	25/10/2007		28/02/2007	
	Group £	Charity £	Group £	Charity £
Short term deposits	1,578,355	1,259,913	1,339,157	1,007,260
Cash and bank balances	11,925	10,925	20,949	19,949
	<u>1,590,280</u>	<u>1,270,838</u>	<u>1,360,106</u>	<u>1,027,209</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES
FOR THE PERIOD ENDED 25TH OCTOBER 2007

13 Tangible Fixed Assets

	Freehold Property £	Fixtures Fittings & Equipment £	Motor Vehicles £	Total £
Group				
Cost				
At 1st March 2007	559,956	36,651	7,228	603,835
Additions	1,420	7,793	-	9,213
Disposals	-	(44,444)	(7,228)	(51,672)
At 25th October 2007	561,376	-	-	561,376
Depreciation				
At 1st March 2007	138,137	10,229	7,228	155,594
Charge for the year	-	4,257	-	4,257
Disposals	-	(14,486)	(7,228)	(21,714)
At 25th October 2007	138,137	-	-	138,137
Net book value				
At 25th October 2007	423,239	-	-	423,239
At 28th February 2007	421,819	26,422	-	448,241

	Freehold Property £	Fixtures Fittings & Equipment £	Motor Vehicles £	Total £
Charity				
Cost				
At 1st March 2007	559,956	36,651	7,228	603,835
Additions	1,420	7,793	-	9,213
Disposals	-	(44,444)	(7,228)	(51,672)
At 25th October 2007	561,376	-	-	561,376
Depreciation				
At 1st March 2007	138,137	10,229	7,228	155,594
Charge for the year	-	4,257	-	4,257
Disposals	-	(14,486)	(7,228)	(21,714)
At 25th October 2007	138,137	-	-	138,137
Net book value				
At 25th October 2007	423,239	-	-	423,239
At 28th February 2007	421,819	26,422	-	448,241

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE PERIOD ENDED 25TH OCTOBER 2007

14 Creditors amounts falling due within one year

	25/10/2007		28/02/2007	
	Group	Charity	Group	Charity
	£	£	£	£
Bank overdraft	9,627	9,627	100	100
Trade creditors	16,770	16,270	15,634	13,770
Accruals and other creditors	100,374	100,374	131,490	131,490
Other tax and social security	21,572	21,571	35,625	35,614
Training scheme creditors	-	-	53,016	53,016
Uncalled share capital in subsidiary co	1	-	1	-
	<u>148,344</u>	<u>147,842</u>	<u>235,866</u>	<u>233,990</u>

15 Creditors amounts falling due after more than one year

	25/10/2007		28/02/2007	
	Group	Charity	Group	Charity
	£	£	£	£
Loan from subsidiary company		<u>207,317</u>		<u>184,356</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.

16 Unrestricted funds

	General Reserves
	£
Balance at 1st March 2007	1,722,768
Profit/(Loss) for the year	295,129
Donations paid	<u>(18,625)</u>
Balance at 25th October 2007	<u>1,999,272</u>

17 Restricted Funds

There were no restricted funds at the balance sheet date.

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

FOR THE PERIOD ENDED 25TH OCTOBER 2007

18 Analysis of group net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 25th October 2007 are represented by				
Tangible fixed assets	423,239	-	-	423,239
Investment assets	1	-	-	1
Current assets	1,724,376	-	-	1,724,376
Current liabilities	(148,344)	-	-	(148,344)
Long-term liabilities	-	-	-	-
Total net assets at 25th October 2007	1,999,272	-	-	1,999,272

19 Commitments

There were no financial commitments at the balance sheet date

20 Pension scheme

The group operates money purchase pensions schemes for the employees

21 Related party transactions

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

B Lakin	}	
	}	£6,793
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

22 Trustees Remuneration

No trustee received any remuneration or reimbursement of expenses during the year

23 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 gift aid or covenant payments will be made by the subsidiary to the Charity of £5,500. Trustees will ensure the transfer will occur within the statutory time limits for taxation purposes.

24 Post Balance Sheet Events

On 25th October 2007, the trading arm of Training Trust (Wales) was sold. The amount of £400,000 shown in note 2 represents goodwill generated on the sale.