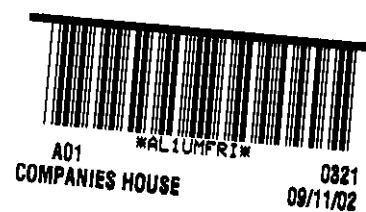


TRAINING TRUST (WALES)
(A company limited by guarantee)

Report and Financial Statements

Year ended: 28 February 2002

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, Chartered Accountants & Registered Auditors,
Pentre Road, Pentre, RCT. CF41 7DJ

Bankers

Barclays Bank Plc., Dunraven Place, Bridgend.

Solicitors

Eversheds, Cardiff.

**Report of the Management Committee and Trustees for the year ended
28th February 2002.**

The Management Committee and Trustees presents its report and the audited financial statements for the year ended 28 February 2002.

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 sustained a loss during the year in the sum of £11,895, part of which was the result of a disputed account in the sum of £17,646 for which full provision has been made in these accounts. Additionally, the company paid out £12,718 donations which relate to the Trustees policy of making donations. The Funds balance now stands at £850,269 compared with £874,882 at the previous year end. The group, however, has had a very successful year from which the Trust will benefit substantially during the current year as a result of Covenant arrangements. The group's reserves amounted to £1,062,361 at the Balance Sheet date (£861,071- 2001).

Advice and information

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

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

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

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

To support other educational organisations.

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

Future Strategy

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

Reserves policy

The Trustees have reviewed the reserves of the charity, encompassing the nature of the income and expenditure streams. The unrestricted funds amount to £850,269 at 28 February 2002 (£874,882 at 2001).

The investment in tangible fixed assets (property £449,952) and investment in its subsidiary (£353,761) amount in total to £803,713. The liabilities include £366,452 due to wholly owned subsidiary company with no specific terms of repayment. However, the Trustees are reviewing a basis for repaying the inter-company indebtedness.

During the year the Funds reduced from £874,882 to £850,269 as explained above (Results). It is expected that a substantial influx of funds will be received from its subsidiary company during the current year. The Trustees are of the view that the current activities of the Charity can be maintained and the current levels of Reserves is adequate and is required to sustain this. The reserves policy is reviewed by the Trustees on a regular basis.

The Group's Funds at 28 February 2002 was £1,062,361 (£861,071- 2001) and current year (to date) results to date indicate another successful year for the Group.

Investment policy

The charity owns its freehold property (book written down value £449,952) which it uses for its own activities and part of which is rented on a commercial basis to the subsidiary company.

The Charity has an investment in its wholly owned subsidiary in the sum of £353,761. This year's (2001-2002) profits of the subsidiary is in excess of £225,000 and are reflected in the group accounts. The current year to date activities are very encouraging for the Group.

Cash funds are deposited in low risk Deposits and are included as current assets (cash at bank) in these financial reports.

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 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 9 September 2002 and signed on its behalf by:



.....(Trustee)

C. HOARE

Report of the auditors
To the members of Training Trust (Wales)

CBT
CURTIS • BOWDEN
& THOMAS
chartered accountants

Partners:
S.Curtis, F.C.A.
G.J. Bowden, F.C.A.
J.L. Thomas, F.C.A.

We have audited the financial statements on pages 6 to 15 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of the management committee and auditors

As described on page 4, 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. It is our responsibility to form an independent opinion, based, on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgements made by the management committee in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable 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 charitable company's state of affairs as at 28th February 2002, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CURTIS BOWDEN & THOMAS
Registered Auditors

Date:  9th September 2002



Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

The Woodlands, Pentre Road
Pentre, Rhondda Cynon Taff CF41 7DJ
☎ 01443 435108 Fax: 01443 441371
E-Mail: cbt@woodlands-sc.fsbusines.co.uk

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E-Mail: cbt@chartac-tonypandy.fsnet.co.uk

TRAINING TRUST (WALES)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 2002

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Income and Expenditure					
Incoming Resources					
Training & Enterprise Council Income	3	505,116	-	505,116	441,924
Investment income	3	27,392	-	27,392	28,789
Other income	3	58,916	-	58,916	164,338
Total Incoming Resources		<u>591,424</u>	<u>-</u>	<u>591,424</u>	<u>635,051</u>
Resources Expended					
Direct charitable expenditure	4	416,609	-	416,609	444,424
Fundraising and publicity	4	23,209	-	23,209	14,061
Management and administration of the Charity	4	163,501	-	163,501	156,443
Total Resources Expended		<u>603,319</u>	<u>-</u>	<u>603,319</u>	<u>614,928</u>
Net Incoming/(Outgoing) Resources before transfers		(11,895)	-	(11,895)	20,173
Transfers between funds		-	-	-	-
Net Incoming/(Outgoing) Resources for the year		(11,895)	-	(11,895)	20,173
Other Recognised Gains and Losses					
Gains (losses) on investments unrealised		-	-	-	-
Net Movement in Funds		<u>(11,895)</u>	<u>-</u>	<u>(11,895)</u>	<u>20,173</u>
Balances brought forward at		874,882	-	874,882	870,884
Deduct other adjustments - Charitable donations		(12,718)	-	(12,718)	(16,175)
Balance carried forward at 28th February 2002		<u>850,269</u>	<u>-</u>	<u>850,269</u>	<u>874,882</u>

The notes on pages 8 to 14 form part of the accounts.

TRAINING TRUST (WALES)

BALANCE SHEET AT 28TH FEBRUARY 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	8	449,952	444,611
Investments	9	<u>353,761</u>	<u>353,761</u>
		<u>803,713</u>	<u>798,372</u>
Current assets			
Debtors	10	140,772	136,082
Cash at bank and in hand		<u>352,392</u>	<u>298,068</u>
		493,164	434,150
Liabilities: amounts falling due within one year	11	<u>(80,156)</u>	<u>(97,883)</u>
Net current assets		<u>413,008</u>	<u>336,267</u>
Total assets less current liabilities		1,216,721	1,134,639
Liabilities: amounts falling due after more than one year	11	<u>(366,452)</u>	<u>(259,757)</u>
Net Assets		<u>850,269</u>	<u>874,882</u>
Funds			
Unrestricted	12	850,269	874,882
Restricted		<u>-</u>	<u>-</u>
		<u>850,269</u>	<u>874,882</u>

Approved by the Board on 9th September 2002 and signed on its behalf.


C HOARE

Trustee

**Notes forming part of the financial statements
for the year ended 28th February 2002**

1. Accounting policies

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

	£		£
Office establishment costs	21,820	Alloc. to Man. Costs - 10%	2,182
Salaries etc.	358,197	" " " " - 20%	71,639
Dep'n. and cross-charge from subsidiary re. fixed asset usage	38,935	" " " " - 10%	3,895

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 2002.
- (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 (2001 - Nil)

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

	Unrestrict.	Restricted	2002 Total	2001 Total
	£	£	£	£
Training and Enterprise Council Income	505,116	Nil	505,116	441,924
	=====	=====	=====	=====
Other Income:				
E.S.F. Income	-	-	-	23,310
Membership Fees	30,125	-	30,125	45,709
Consultancy	3,863	-	3,863	4,930
Course Fees	24,928	-	24,928	90,439
	58,916	-	58,916	164,388
	=====	=====	=====	=====
Investment Income				
Rents	17,531	-	17,531	17,531
Bank & Building Society Interest	9,861	-	9,861	11,258
	27,392	-	27,392	28,789
	=====	=====	=====	=====
Total Income	591,424	-	591,424	635,101
	=====	=====	=====	=====

4. Total Resources Expended

	Direct Charitable Expenditure £	Fund- raising & publicity £	Manage- ment & Admin. £	2002 Total £	2001 Total £
Training Course Costs	57,127			57,127	92,020
Legal & Professional Establishment/Property ESF costs			6,845	6,845	9,500
Property Costs	19,638		2,182	21,820	22,377
Irrecoverable VAT			261	261	2,647
Salaries	286,558		71,639	358,197	328,992
Reproduction Costs			1,934	1,934	1,750
Bad Debts	18,246		-	18,246	631
Depreciation	35,040		3,895	38,935	50,844
Finance Costs			983	983	1,843
Marketing & Sales Services		23,209		23,209	14,061
Travel & Motor			50,969	50,969	45,750
Telephones			8,688	8,688	6,286
Postages, stationery			10,370	10,370	10,450
Audit Fees			2,650	2,650	2,600
Donations & Subscriptions			3,085	3,085	1,867
TOTAL RESOURCES EXPENDED	416,609	23,209	163,501	603,319	614,928
	=====	=====	=====	=====	=====

5. Net incoming resources for the year

This is stated after charging:

	2002 £	2001 £
Depreciation	38,935	50,844
Management committee's remuneration	Nil	Nil
Auditors' remuneration		
Audit services	2,650	2,600
	=====	=====

6. Staff costs and numbers

	2002 £	2001 £
Wages and salaries	305,327	274,559
Social security costs	24,096	25,024
Pension costs, life assurances	21,907	22,628
Staff development & recruitment	6,867	6,781
	<u>358,197</u>	<u>328,992</u>
	=====	=====

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

£40,000 to £50,000	1
	==

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

	2002 No.	2001 No.
Training and Education Services	6	7
Management and Administration	3	5
	<u>9</u>	<u>12</u>
	=====	=====

7. Taxation

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

8. Tangible fixed assets

	Freehold Land & Buildings £	Total £
Cost		
At 1 March 2001	540,648	540,648
Additions in year	15,792	15,792
	<u>556,440</u>	<u>556,440</u>
Depreciation		
At 1 March 2001	96,037	96,037
Charge for the year	10,451	10,451
	<u>106,488</u>	<u>106,488</u>
At 28 February 2002		
Net book value		
At 28 February 2002	449,952	449,952
	=====	=====
At 28 February 2001	444,611	444,611
	=====	=====

9. Investments

	2002 £	2001 £
Investment in wholly owned subsidiary company, at cost		
at 1 March 2001	353,761	353,761
Additions	-	-
Disposals	-	-
	<u>353,761</u>	<u>353,761</u>
At 28 February 2002 (at historical cost)	353,761	353,761
	=====	=====

10. Debtors

Contract income receivable re. education provision	136,490	124,653
Other debtors and prepayments	4,282	11,429
	<u>140,772</u>	<u>136,082</u>
	=====	=====

11. Creditors: amounts falling due within one year

Taxation	-	4,054
Training scheme creditor	32,100	36,980
Accruals and other creditors	31,229	11,544
Trade creditors	6,844	22,308
Bank	9,983	22,997
	<u>80,156</u>	<u>97,883</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.	366,452	259,757
	=====	=====

The Trustees and the Board are reviewing the basis for repayment of this inter-company account.

12. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	449,952	-	-	449,952
Investments	353,761	-	-	353,761
Current assets	493,164	-	-	449,164
Current liabilities	(80,156)	-	-	(80,156)
Long term liabilities	(366,452)	-	-	(322,452)
Net assets at 28th February 2002	850,269	-	-	850,269

13. Movements in funds

	At 1st March 2001 £	Incoming Resources £	Outgoing Resources £	Donations Paid 2002 £	At 28th February 2002 £
Restricted Funds	-	-	-	-	-
Unrestricted funds:					
Designated funds	-	-	-	-	-
General funds	874,882	591,424	(603,319)	(12,718)	(850,269)
Total unrestricted funds	874,882	591,424	(603,319)	(12,718)	(850,269)
Total funds	874,882	591,424	(603,319)	(12,718)	(850,269)

The directors review the level of charitable donations to be made subsequent to the year end.

The donations paid in 2002 relate to the review by the directors of the 2001 financial position of the Trust.

TRAINING TRUST (WALES)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2002

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 to the value of £4,184 (balance at year end £822)

R Partridge to the value of £2,040 (balance at year end £Nil)

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.

During the year the Group incurred expenditure and office equipment from a company associated with a trustee to the value of £6,300 (B Lakin). These services were provided by the supplier at arms length and in the normal course of business.

16. Pension Scheme

The charity operates money purchase pension schemes for its employees.

17. Trustees Remuneration

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

TRAINING TRUST (WALES)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 28TH FEBRUARY 2002

	2002	2001
Sources of Funds:-		
Profit (Loss) for the year after charging depreciation but before investment income.	(52,005)	(24,791)
Depreciation	<u>10,451</u>	<u>10,113</u>
Net cash inflow (outflow) from operating activities	(41,554)	(14,678)
Investment Income		
Rents received	17,531	17,531
Interest received	<u>9,861</u>	<u>11,258</u>
Net cash inflow (outflow) before management of liquid resources and financing	(14,162)	14,111
Increase in funding from subsidiary company	<u>106,695</u>	<u>141,949</u>
	92,533	156,060
deduct: Expenditure on tangible fixed assets	<u>(15,792)</u>	<u>(2,508)</u>
	76,741	153,552
deduct: Movement in Working Capital requirements		
Decrease in Debtors		108,296
Increase in Debtors	(4,690)	
Decrease re. Creditors	<u>(17,727)</u>	<u>(59,270)</u>
	<u>(22,417)</u>	<u>49,026</u>
	54,324	202,578
Increase in Cash Resources for the year		
Cash resources at 1st March 2001	<u>298,068</u>	<u>95,490</u>
Cash resources at 28th February 2002	£ 352,392 =====	£ 298,068 =====
Analysis of Cash Resources		
Bank account	18,392	88,068
Short term deposit account	<u>334,000</u>	<u>260,000</u>
	£ 352,392 =====	£ 348,068 =====


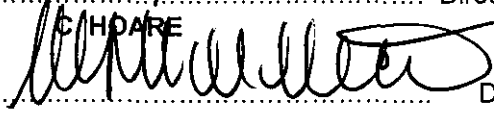
TRAINING SERVICES (WALES) LIMITED

BALANCE SHEET - 28TH FEBRUARY 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	7		107,526		146,838
Intangible assets	7a		-		-
Due from holding company			366,452		259,757
INVESTMENT IN SUBSIDIARY COMPANY	14		1		1
CURRENT ASSETS					
Debtors	8	432,202		122,380	
Cash at bank and in hand		<u>149,396</u>		<u>3,069</u>	
		581,598		125,449	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(480,559)</u>		<u>(175,520)</u>	
NET CURRENT ASSETS			<u>101,039</u>		<u>(50,071)</u>
			575,018		356,525
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	12		(9,165)		(16,575)
OWING TO HOLDING COMPANY	13		<u>-</u>		<u>-</u>
NET ASSETS		£	565,853	£	339,950
			=====		=====
CAPITAL AND RESERVES					
Share capital	13		353,761		353,761
Profit and Loss Account	11		<u>212,092</u>		<u>(13,811)</u>
		£	565,853	£	339,950
			=====		=====

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 9th September 2002 and signed on its behalf.


..... Director

..... Director
C. F. MIDDLETON

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