

894742

**TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY**

(Limited By Guarantee)

(Registered Charity No. 518759)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 28TH FEBRUARY 1998**



**TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY**

(Limited By Guarantee)

(Registered Charity No. 518759)

for the year ended 28th February 1998

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2. Report of the Directors/Trustee Company
3. Auditors Report
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TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

for the year ended 28th February 1998

DETAILS OF OFFICERS, AGENTS AND REGISTERED OFFICE

Name of Charity	Training Trust (Wales)
Governing Document	Memorandum and Articles of Association. The Charity is a Company Limited by Guarantee. The Company has received consent under Section 30 of the Companies Act 1985 to dispense with the use of the word "Limited" in its corporate name.
Charity Registration Number	518759
Company Registration Number	894742
Directors	I. Kelsall C. Hoare R. Partridge B. Hitchcock J. Bevan L. Davies B. Lakin
Secretary	C.F. Middleton
Registered Office	Fairwood House, Rhyd Lane, Aberkenfig. CF32 9PW.
Bankers	Barclays Bank PLC., Dunraven Place, Bridgend.
Auditors	Curtis, Bowden and Thomas, Chartered Accountants, Pentre.
Powers	The Charity is authorised by its Memorandum and Articles of Association to sell, let, Mortgage, dispose or turn to account, all or any property of the Company and to invest any monies of the Company in any manner authorised by law for the investment of trust funds. The Company is also authorised to acquire relevant securities of the Company's wholly owned subsidiary Training Services (Wales) Limited.

## TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

for the year ended 28th February 1998

### DIRECTORS/TRUSTEES REPORT

The Directors present their report and the Financial Statements for the year ended 28th February 1998.

### Statement of Directors/Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to:

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

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

### Principal Activity

The company's principal activity continues to be that organising and co-ordinating training programmes. The objects of the Charity, as set out in the Memorandum and Articles of Association are the promotion and advancement of adequate training of persons engaged or likely to be engaged in industry and commerce.

The policies adopted in order to further these objects are:

To provide and equip training centres, workshops 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 or charitable organisations.

There have been no material changes in these policies since the last report.

### Directors

The Directors who served during the year were:-

I. Kelsall  
C. Hoare  
R. Partridge  
B. Hitchcock  
J. Bevan  
L. Davies  
B. Lakin

## TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

for the year ended 28th February 1998

### DIRECTORS/TRUSTEES REPORT ..... Continued

#### Review of Development & Activities

Annexed to this report is a summary of the Chairman's report setting out the activities and developments during the year (page 11).

#### Review of Financial Position of the Company

The income for the year amounted to £813,174 (£724,553 - 1997), the main source of income being from the Training Enterprise Council £723,035 (£613,905 in 1997).

The loss sustained by the subsidiary company is to be deducted from these figures - £36,246 in 1998 and £15,523 in 1997)

The direct costs of providing this service amounted to £540,201 (£492,455 - 1997).

Other expenses amounted to £174,399 (£142,183 - 1997) leaving a profit of £98,574 (£89,915 - 1997) before charitable donations in the sum of £40,519 (£10,016 - 1997) and before deducting the loss in the subsidiary amounting to £36,246 in 1998 and £15,523 in 1997.

At the date of the Balance Sheet the Surplus Account stood at £807,197, compared with £752,817 at February 1997. The net current asset position improved by £43,084 to £416,917 for the company and by £17,968 to £84,347 for the Group. The estimated value of the charity's assets are not materially different from that shown in the accounts except for the investment in the subsidiary. The subsidiary company's balance sheet shows a net value of £300,326 but this is a direct result of dividends and covenants being paid to the Trust. The expectation is that this will be corrected by ongoing trading of the subsidiary.

The summary of the subsidiary's financial accounts is detailed in page 12.

The trustees/directors review the matter of donations subsequent to the balance sheet date. As such charitable donations of £40,519 (£10,016 - 1997) were made after 28th February 1997 to reflect their view of the financial position at that date. These amounts are shown as other adjustments in the Statement of Financial Activities.

#### Auditors

The auditors, Messrs. Curtis, Bowden and Thomas, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 8th July 1998 and signed on their behalf.



I. KELSALL

Director

**TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY**

**Auditors' Report to the Shareholders of Training Trust (Wales) and its  
Subsidiary Company**

*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 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective Responsibilities of Directors and Auditors**

As described on page 2 the trustees 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 significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion, the financial statements, give a true and fair view of the state of the company's affairs as at 28th February 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
Registered Auditors

CURTIS, BOWDEN AND THOMAS,

Chartered Accountants  
The Woodlands, Pentre Road  
Pentre, Mid Glamorgan CF41 7DJ  
☎ 01443 435108 Fax: 01443 441371  
also at  
101 Dunraven Street,  
Tonypandy, Mid Glamorgan CF40 1AR  
☎ 01443 431012 Fax: 01443 433547

PENTRE 8th July 1998



# TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 1998

	Note	Unrestricted Funds £	Restricted Funds £	Total 1998 £	Total 1997 £
<b>Incoming Resources</b>					
Training Enterprise Council Inc.		723,035		723,035	613,905
Investment income	5	69,744		69,744	63,044
Other income	5	20,395		20,395	47,604
Net loss from trading subsidiaries	2	(36,246)		(36,246)	(15,523)
<b>Total Incoming Resources</b>		<b>776,928</b>	<b>-</b>	<b>776,928</b>	<b>709,030</b>
<b>Resources Expended</b>					
Direct charitable expenditure:	3	540,201	-	540,201	492,455
Other expenditure					
Fundraising and publicity	3	17,857	-	17,857	13,989
Management and administration of the charity	3	156,542	-	156,542	128,194
		174,399	-	174,399	142,183
<b>Total Resources Expended</b>		<b>714,600</b>	<b>-</b>	<b>714,600</b>	<b>634,638</b>
<b>Net Incoming/(Outgoing) Resources before transfers</b>		<b>62,328</b>	<b>-</b>	<b>62,328</b>	<b>74,392</b>
Transfers between funds		-	-	-	-
<b>Net Incoming/(Outgoing) Resources</b>		<b>62,328</b>	<b>-</b>	<b>62,328</b>	<b>74,392</b>
Gains/(losses) on investment assets:		-	-	-	-
<b>Net Movement in Funds</b>		<b>62,328</b>	<b>-</b>	<b>62,328</b>	<b>74,392</b>
Fund balance brought forward at 1st March 1997		734,662	-	734,662	670,286
Prior year adjustments & charitable donations paid	6	(43,228)	-	(43,228)	(10,016)
<b>Fund Balances carried forward at 28th February 1998</b>		<b>753,762</b>	<b>-</b>	<b>753,762</b>	<b>734,662</b>


The notes on pages 4 to 10 form part of these accounts.

# TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS AT 28TH FEBRUARY 1998

	Note	Group 1998 £	1997 £	Charity 1998 £	1997 £
<b>Fixed Assets</b>					
Tangible assets	4	302,057	314,128	138,231	134,679
Intangible assets		-	1,366	-	-
Investments	7	-	-	353,761	353,761
		<u>302,057</u>	<u>315,494</u>	<u>491,992</u>	<u>488,440</u>
<b>Current Assets</b>					
Debtors	8	304,265	352,110	174,792	181,098
Building Society deposits		429,764	385,160	375,279	305,160
Cash at bank and in hand		92,833	112,356	71,017	70,682
		<u>826,862</u>	<u>849,626</u>	<u>621,088</u>	<u>556,940</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>342,515</u>	<u>383,247</u>	<u>204,171</u>	<u>183,107</u>
<b>Net Current assets</b>		<u>484,347</u>	<u>466,379</u>	<u>416,917</u>	<u>373,833</u>
<b>Total assets less current liabilities</b>		<u>786,404</u>	<u>781,873</u>	<u>908,909</u>	<u>862,273</u>
<b>Creditors: amounts falling due after more than one year - deferred income</b>	10	<u>32,642</u>	<u>47,211</u>	<u>101,712</u>	<u>109,456</u>
<b>Net Assets</b>		<u>753,762</u>	<u>734,662</u>	<u>807,197</u>	<u>752,817</u>
<b>Capital Funds</b>		-	-		
<b>Income Funds</b>					
Unrestricted funds	11	807,197	752,817	807,197	752,817
Non-charitable trading funds	14	(53,435)	(18,155)	-	-
		<u>753,762</u>	<u>734,662</u>	<u>807,197</u>	<u>752,817</u>

Approved by the Board of Trustees on 8th July 1998  
and signed on its behalf by

  
-----  
I KELSALL

Trustee

The notes on pages 5 to 11 form part of these accounts.



# TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

## NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

### 1. Accounting Policies

#### Basis of Accounting

The financial statements are prepared under the historical cost convention. The accounts have been drawn up in accordance with Statement of Recommended Practice for Charities and Statement of Standard Accounting Practice No. 2.

A cashflow statement (FRS No. 1.) is not required.

All income and expenditure has been accounted for on the accruals concept.

#### Tangible Fixed Assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is calculated using the straight line method on the gross values of tangible assets without any deduction for government grants.

The following rates are used:

Freehold Buildings	4% per annum
Leasehold Expenditure	20% per annum
Motor Vehicles	25% per annum
Fixtures & Fittings	20% per annum

#### A. Intangible Fixed Assets

Expenditure upon research and development is depreciated at the rate of 33% per annum, straight line method.

#### B. Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2. Net Income from Trading Activities of Subsidiary - Training Services (Wales) Ltd.,

The Charity has a wholly owned trading subsidiaries which are incorporated in the UK. The company covenant it's taxable profits or pay dividends to the Charity. A summary of the trading results is shown on page 12. Audited accounts have been filed with the Registrar of Companies.

# TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

## NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

### 3. Analysis of Total Resources Expended

Total	Staff Costs		Other	Dep'n 1997	Total
Direct charitable expend.					
Training & Education Services	540,201	234,122	259,970	46,109	492,455
	<u>540,201</u>	<u>234,122</u>	<u>259,970</u>	<u>46,109</u>	<u>492,455</u>
Other expenditure					
Fundraising and publicity	17,857		17,857		13,989
Management and admin. of the charity	<u>156,542</u>	<u>58,530</u>	<u>92,890</u>	<u>5,122</u>	<u>128,194</u>
Total	714,600	292,652	370,717	51,231	634,638

#### GROUP TOTAL

#### TRUST ONLY

Note: Auditors remuneration - 1998	£4,800	£1,800
- 1997	£4,600	£1,600

# TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

## NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

### 4. Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Property £	Office Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
Balance at 1st March 1997	186,043	61,996	141,216	252,660	641,915
Additions	10,970	-	31,416	41,806	84,192
Disposals	-	-	-	( 21,650)	(21,650)
Balance at 28th February 1998	197,013	61,996	172,632	272,816	704,457
<b>Accumulated depreciation</b>					
Balance at 1st March 1997	51,364	55,995	85,220	135,786	328,365
Disposals	-	-	-	( 21,650)	(21,650)
Charge for year	7,418	4,915	29,042	54,310	95,685
Balance at 28th February 1998	58,782	60,910	114,262	168,446	402,400
Net Book Value at 28th Feb. 1998	138,231	1,086	58,370	104,370	302,057
Net book value at 28th Feb. 1997	134,679	6,001	55,996	116,874	314,128
				1998	1997
Leasehold buildings expenditure	Short leaseholds			1,086	6,001
	Long leaseholds			-	-
				1,086	6,001

The Net Book Value at 28th February 1998 represents Fixed Assets used for:

#### Direct charitable purposes

Charity	69,116	-	-	-	69,116
Subsidiary	-	1,086	30,352	55,446	86,884
Other Purposes - Charity					
Freehold property rented to subsidiary	69,115	-	-	-	69,115
Other Purposes - Subsidiary	-	-	28,018	48,924	76,942

# TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

FOR THE YEAR ENDED 28TH FEBRUARY 1998

1998 1997

## 5. Incoming Resources

### Other Income

Consultancy services	20,395	47,604
	<u>-----</u>	<u>-----</u>

### Investment Income

Dividends from subsidiary company	31,250	31,250
Rents	15,000	15,000
Bank and building society interest	23,494	16,794
	<u>-----</u>	<u>-----</u>
	69,744	63,044
	<u>-----</u>	<u>-----</u>

## 6. Prior Year Adjustments and Charitable Donations

Prior year adjustment relates to underprovision for liabilities

- Trust	3,675
- Subsidiary	( 966)
	<u>-----</u>

	2,709
Charitable donation	40,519
	<u>-----</u>
	43,228
	<u>=====</u>

## 7. Fixed Asset Investments

This relates to the Charity's investment in the wholly owned subsidiary, detailed on Note 14 on Page 12.

## 8. Debtors

	Group		Charity	
	1998	1997	1998	1997
Taxation recoverable	12,916	6,250	12,916	6,250
Prepayments and accrued interest	7,405	11,754	995	1,217
Debtors re education provision	283,944	334,106	160,881	173,631
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	304,265	352,110	174,792	181,098
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

## 9. Liabilities - Amounts falling due within one year

	Group		Charity	
	1998	1997	1998	1997
Taxation	8,278	8,081	-	-
Training Scheme creditor	122,012	105,961	122,012	105,961
Accruals	104,590	116,351	49,529	30,593
Trade creditors	59,128	79,389	32,630	15,474
Bank overdraft	-	30,719	-	30,719
Hire purchase creditors	48,507	42,746	-	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	342,515	383,247	204,171	183,107
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

FOR THE YEAR ENDED 28TH FEBRUARY 1998

10. Liabilities - falling due after more than one year

	Group		Charity	
	1998	1997	1998	1997
Invested in subsidiary company	-	-	101,712	109,456
Hire purchase contracts	32,642	47,211	-	-
	<u>32,642</u>	<u>47,211</u>	<u>101,712</u>	<u>109,456</u>

11. Reserves

	Group	Charity
Balance 1st March 1997	734,662	752,817
Prior year adjustment	( 2,709)	( 3,675)
Donations paid in 1998	(40,519)	(40,519)
Surplus retained for year	62,328	98,574
	<u>753,762</u>	<u>807,197</u>

TRAINING TRUST (WALES) AND ITS SUBSIDIARY COMPANY

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

12. Analysis of Group Net Assets between Funds

	1998		1997	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Fund Balance at 28th Feb. 1998				
are represented by				
Tangible fixed assets	302,057	-	314,128	-
Intangible fixed assets	-	-	1,366	-
Current assets	826,862	-	849,626	-
Current liabilities	(342,515)	-	(383,247)	-
Creditors due upon one year	( 32,642)	-	(47,211)	-
Total Net Assets	753,762	-	734,662	-
Unrealised gains included above				
On tangible fixed assets	-	-	-	-
On investment assets	-	-	-	-
Total Unrealised Gains at 28th February 1998	-	-	-	-
Reconciliation of Movements in Unrealised Gains on Investment Assets	-	-	-	-
Unrealised Gains at 28th Feb. 98	-	-	-	-

## TRAINING TRUST (WALES)

### CHAIRMAN'S STATEMENT - 1997/98

#### Note 13

I am pleased to report that the Company continues to prosper. 1997 was another successful year on many fronts with a retained membership base of 140 organisations.

The Group is committed above all, to ensuring that the highest level of service is provided.

The market place continues to increase in terms of competition, this is borne out by a recent market survey which places Training & Consultancy as one of the fastest growing areas in the service sector. Related to this, there remains real concern over the market becoming saturated, coupled with the all too often sub-standard quality of many Training Consultancies. The group's philosophy is long term partnership based on high quality and cost effective services. We will continue to place critical importance on maintaining our standards and approved Awarding Body Status such as ISO9000, IIP, MCI, BTEC and ISM. In fact, we are very pleased to state that in the Autumn of 1997, The Group was successfully reassessed in respect of Investors in People and retains this standard for a further 3 years.

There were improvements in the majority of activities during 1997. One in particular, was the achievement of 87% of Training Adviser visiting patterns and use of member days against a target of 85%. We are committed to achieve 90%+ in 1998.

In April 1997, the group launched its new Three Year Strategic Plan which centred on:

- Consolidating the Group's efficiency and financial strength
- The development of new products and services
- Growth into current and new markets.

The following is a summary of key progress made to date:

- We commenced a process of staff rationalisation in November 1997, linked to a new structure and the achievement of cost reductions.
- We implemented Group re-structuring to Cell/Team operations in March 1998.
- We established a new portfolio of Management Development programmes and launched TSW Management Solutions in April 1998.
- We commenced the new building at Fairwood House in June 1998.

The ability to support good causes and initiatives through the Training Trust is an important objective of the Company. During 1997/98, I am very pleased to state that the Group's allocated charitable donations of £40,000, primarily linked to promoting the involvement of young people in business e.g. 'Apprentice of the Year'; 'Young Enterprise' and 'CREST Awards'.

A new but challenging venture for us was the sponsorship of the first Welsh International Wheelchair Rugby Tournament held in Cardiff in May. The event, which was match funded by the Sports Council for Wales, was an outstanding success. It brought teams from all over Europe to Cardiff with over 100 Wheelchair Rugby players participating. We can be proud to have helped initiate this event which is due to be repeated in the year 2000.

Continued .../...

# TRAINING TRUST (WALES) - NOTE 14

## SUMMARY OF SUBSIDIARY COMPANY FINANCIAL REPORT

### TRAINING SERVICES (WALES) LIMITED

YEAR ENDED 28TH FEBRUARY 1998

COMPANY NO. 2422780 (England & Wales)

### INCOME EXPENDITURE ACCOUNT

	1998	1997
Income for the year	761,119	735,126
Expenditure for the year, before depreciation	682,220	629,384
	<u>78,899</u>	<u>105,742</u>
Depreciation	88,145	86,890
(Less) profit for the year before dividends and taxation	( 9,246)	18,852
(Taxation)	( 2,000)	( 9,375)
	<u>(11,246)</u>	<u>9,477</u>
Dividends paid to holding company (Trust)	(25,000)	(25,000)
Loss for the year, after taxation and dividends	<u>(36,246)</u>	<u>(15,523)</u>

### BALANCE SHEET

Tangible assets	163,826	179,449
Intangible assets	-	1,366
Monies due from holding company (Trust)	101,712	109,456
	<u>265,538</u>	<u>290,271</u>
Excess of current assets over current liabilities	67,430	92,546
	<u>332,968</u>	<u>382,817</u>
Deduct creditors falling due after one year	(32,642)	(47,211)
	<u>300,326</u>	<u>335,606</u>
Share capital	353,761	353,761
Reserves	(53,435)	(18,155)
	<u>300,326</u>	<u>335,606</u>

The deficit in reserves has arisen as a result of dividends and covenants paid to the Trust. The directors are of the view that future trading will correct this position.



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(Registered Charity No. 518759)

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for the year ended 28th February 1998

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## TRAINING TRUST (WALES)

for the year ended 28th February 1998

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- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### Principal Activity

The company's principal activity continues to be that organising and co-ordinating training programmes. The objects of the Charity, as set out in the Memorandum and Articles of Association are the promotion and advancement of adequate training of persons engaged or likely to be engaged in industry and commerce.

The policies adopted in order to further these objects are:

To provide and equip training centres, workshops 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 or charitable organisations.

There have been no material changes in these policies since the last report.

#### Directors

The Directors who served during the year were:-

I. Kelsall  
C. Hoare  
R. Partridge  
B. Hitchcock  
J. Bevan  
L. Davies  
B. Lakin

## TRAINING TRUST (WALES)

for the year ended 28th February 1998

### DIRECTORS/TRUSTEES REPORT ..... Continued

#### Review of Development & Activities

Annexed to this report is a summary of the Chairman's report setting out the activities and developments during the year (page 12).

#### Review of Financial Position of the Company

The income for the year amounted to £813,174 (£724,553 - 1997), the main source of income being from the Training Enterprise Council £723,035 (£613,905 in 1997).

The direct costs of providing this service amounted to £540,201 (£492,455 - 1997).

Other expenses amounted to £174,399 (£142,183 - 1997) leaving a profit of £98,574 (£89,915 - 1997) before charitable donations in the sum of £40,519 (£10,016 - 1997).

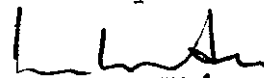
At the date of the Balance Sheet the Surplus Account stood at £807,197, compared with £752,817 at February 1997. The net current asset position improved by £43,084 to £416,917 and long term creditors reduced by £7,744 to £101,712. The long term creditors relates to the wholly owned subsidiary (reported on page 10 para 13). The estimated value of the charity's assets are not materially different from that shown in the accounts except for the investment in the subsidiary. The subsidiary company's balance sheet shows a net value of £300,326 but this is a direct result of dividends and covenants being paid to the Trust. The expectation is that this will be corrected by ongoing trading of the subsidiary.

The trustees/directors review the matter of donations subsequent to the balance sheet date. As such charitable donations of £40,519 (£10,016 - 1997) were made after 28th February 1997 to reflect their view of the financial position at that date. These amounts are shown as other adjustments in the Statement of Financial Activities.

#### Auditors

The auditors, Messrs. Curtis, Bowden and Thomas, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 8th July 1998 and signed on their behalf.



I. KELSALL -

Director

**TRAINING TRUST (WALES)**

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

**Auditors' Report to the Shareholders of Training Trust (Wales)**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective Responsibilities of Directors and Auditors**

As described on page 2 the trustees 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 significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion, the financial statements, give a true and fair view of the state of the company's affairs as at 28th February 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

*[Signature]*  
Registered Auditors

CURTIS, BOWDEN AND THOMAS,

Chartered Accountants

*The Woodlands, Pentre Road*  
*Pentre, Mid Glamorgan CF41 7DJ*

☎ 01443 435108 Fax: 01443 441371  
also at

*101 Dunraven Street,*  
*Tonypandy, Mid Glamorgan CF40 1AR*

☎ 01443 431012 Fax: 01443 433547

PENTRE 8th July 1998



# TRAINING TRUST (WALES)

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28TH FEBRUARY 1998

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Training & Enterprise Council					
Income		723,035		723,035	613,905
Investment income	5	69,744		69,744	63,044
Other income	5	20,395		20,395	47,604
<b>TOTAL INCOMING RESOURCES</b>		<b>813,174</b>	<b>-</b>	<b>813,174</b>	<b>724,553</b>
<b>Resources Expended</b>					
Direct charitable expend.	2	540,201		540,201	492,455
Fundraising and publicity	3	17,857		17,857	13,989
Management and admin. of the charity	4	156,542		156,542	128,194
<b>TOTAL RESOURCES EXPENDED</b>		<b>714,600</b>	<b>-</b>	<b>714,600</b>	<b>634,638</b>
<b>Net Incoming/(Outgoing) Resources before Transfers</b>		<b>98,574</b>	<b>-</b>	<b>98,574</b>	<b>89,915</b>
Transfer between funds		-	-	-	-
<b>Net Incoming/(Outgoing) Resources for the Year</b>		<b>98,574</b>	<b>-</b>	<b>98,574</b>	<b>89,915</b>
Other Recognised Gains and Losses					
Gains/(losses) on investments unrealised			-		
<b>Net Movement in Funds</b>		<b>98,574</b>	<b>-</b>	<b>98,574</b>	<b>89,915</b>
Balances brought forward at		752,817		752,817	672,918
Deduct other adjustments					
- Charitable donations	12	( 40,519)		( 40,519)	( 10,016)
- Prior year adjustment	12	( 3,675)		( 3,675)	-
<b>Balance carried forward at 28 February 1998</b>		<b>807,197</b>	<b>-</b>	<b>807,197</b>	<b>752,817</b>

The notes on pages 6 to 12 form part of these accounts

TRAINING TRUST (WALES)

BALANCE SHEET AT 28TH FEBRUARY 1998

	Note	1998 £	1997 £
<b>Fixed Assets</b>			
Tangible fixed assets	6	138,231	134,679
Investments	7	353,761	353,761
		<u>491,992</u>	<u>488,440</u>
<b>Current Assets</b>			
Debtors	8	174,792	181,098
Building Society deposits		375,279	305,160
Cash at bank and in hand		71,017	70,682
		<u>621,088</u>	<u>556,940</u>
<b>Liabilities: amounts falling due within one year</b>	9	<u>204,171</u>	<u>183,107</u>
<b>Net Current Assets</b>		<u>416,917</u>	<u>373,833</u>
<b>Total Assets less Current Liabilities</b>		<u>908,909</u>	<u>862,273</u>
<b>Liabilities: amounts falling due after more than one year</b>	10	101,712	109,456
<b>Net Assets</b>		<u>807,197</u>	<u>752,817</u>
<b>Funds</b>			
Unrestricted	12	807,197	752,817
Restricted		-	-
		<u>807,197</u>	<u>752,817</u>

Approved by the Board on 8th July 1998 and signed on its behalf by

  
 ----- Director  
 I. KELSALL

The notes on pages 4 to 11 form part of these accounts



# TRAINING TRUST (WALES)

for the year ended 28th February 1998

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements are prepared under the historical cost convention.

The accounts have been drawn up in accordance with Statement of Recommended Practice for Charities and statement of standard accounting practice no. 2.

A cashflow statement (F.R.S. No. 1) is not required.

All income and expenditure has been accounted for on the accruals concept.

#### Tangible Fixed Assets

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is calculated using the straight line method on the gross values of tangible assets without any deduction for government grants.

The following rates are used:

Freehold Buildings 4% per annum

### 2. Direct Charitable Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 1997 £	Total 1996 £
Training Course costs	229,774		229,774	225,647
Office establishment costs	33,551		33,551	30,034
Less allocation to man. costs (10%) (	3,355)		( 3,355)	( 3,003)
Salaries etc.	292,652		292,652	248,038
Less allocation to man. costs (20%) (	58,530)		( 58,530)	( 49,607)
Depreciation and cross charge from subsidiary i.e. fixed assets useage	51,231		51,231	45,939
Less allocation to man. costs (10%) (	5,122)		( 5,122)	( 4,593)
	540,201	-	540,201	492,455

### 3. Fundraising and Publicity

Marketing and sales services	17,857	-	17,857	13,989
	17,857	-	17,857	13,989

# TRAINING TRUST (WALES)

for the year ended 28th February 1998

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Management and Administration of the Charity

Administration costs			
Travel and motor expenses	41,733	41,733	35,242
Telephones	3,427	3,427	3,829
Postages, stationery & publications	6,903	6,903	6,446
Audit fees	1,800	1,800	1,600
Legal & professional fees	9,138	9,138	11,855
Reproduction costs	1,522	1,522	1,437
Donations & subscriptions	2,447	2,447	965
	<u>66,970</u>	<u>66,970</u>	<u>61,374</u>
Finance costs	8,272	8,272	9,617
Irrecoverable Value Added Tax	14,293	14,293	-
Allocation of direct chargeable expenditure (note 2)	67,007	67,007	57,203
	<u>156,542</u>	<u>156,542</u>	<u>128,194</u>

### 4. Total Resources Expended

	Staff Costs	Depreciation (inc. gross charge)	Other Costs	Total 1998	Total 1997
	£	£	£	£	£
Training & Educational serv.	234,122	46,109	259,970	540,201	492,455
Fundraising and publicity	-	-	17,857	17,857	13,989
Management and administration of the charity	58,530	5,122	92,890	156,542	128,194
	<u>292,652</u>	<u>51,231</u>	<u>370,717</u>	<u>714,600</u>	<u>634,638</u>

The training expenditure amounting to £540,201 (£492,455 - 1997) relates to promoting and supporting apprenticeships and adult training programmes and achievement awards and funding college programmes and specific individual development activities.

Additionally, charitable donations to education programmes have been made in the sum of £40,519 during the year.

Auditors remuneration amounted to  
1998 - £1,800  
1997 - £1,600

# TRAINING TRUST (WALES)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

	1998	1997
Staff costs:		
Wages and salaries	246,977	204,240
Social security costs	21,823	18,419
Pension costs	18,173	21,935
Staff development	5,679	3,444
	<u>£ 292,652</u>	<u>£ 248,038</u>
Other costs:		
Establishment expenses	33,551	30,034
Training course expenditure	229,774	225,647
Administration expenses	89,535	125,191
Marketing & sales services	17,857	13,989
	<u>£ 370,717</u>	<u>£ 394,861</u>

No employee of the Trust earned £40,000 p.a. or more.

The average number of employees, analysed by function, was:

	1998	1997
Training & educational services	8	8
Fundraising and publicity	6	4
Management and administration of the charity	14	12

### 5. Incoming Resources

	1998	1997
Other income - consultancy	<u>20,395</u>	<u>47,604</u>
Investment Income		
Dividends from subsidiary company	31,250	31,250
Rents	15,000	15,000
Bank and Building Society interest	23,494	16,794
	<u>69,744</u>	<u>63,044</u>

# TRAINING TRUST (WALES)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

### 6. Tangible Fixed Assets

	Freehold Land and Buildings £	Total £
Cost		
At 1st March 1997	186,043	186,043
Additions	10,970	10,970
At 28th February 1998	197,013	197,013
Accumulated depreciation		
At 1st March 1997	51,364	51,364
Charge for year	7,418	7,418
At 28th February 1998	58,782	58,782
Net book values		
At 28th February 1998	138,231	138,231
At 28th February 1997	134,679	134,679
	1998 £	1997 £
Capital Commitments		
Authorised but not contracted for (extension building to freehold property)	260,000	-

### 7. Fixed Asset Investments

	1998 £	1997 £
Investment in subsidiary, at cost		
Cost 1st March 1997	353,761	353,761
Additions	-	-
Disposals	-	-
Net unrealised investment gains/(losses)	-	-
Cost, at 28th February 1998	353,761	353,761

Attached is a summary of the subsidiary company's statement of accounts (page 11)

# TRAINING TRUST (WALES)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

### 8. Debtors

	1998	1997
	£	£
Taxation recoverable	12,916	6,250
Prepayments and accrued interest	995	1,217
Debtors re: education provision	160,881	173,631
	<u>£ 174,792</u>	<u>£ 181,098</u>

### 9. Liabilities: Amounts falling due within one year

Training scheme creditors	122,012	105,961
Accruals	49,529	30,953
Trade creditors	32,630	15,474
Bank	-	30,719
	<u>£ 204,171</u>	<u>183,107</u>

### 10. Liabilities: Amounts falling due after more than one year

These represent unsecured interest-free loans which were received from the Trust's wholly owned subsidiary company. No fixed term for repayment

£ 101,712	£ 109,456
-----------	-----------

### 11. Analysis of Net Assets Between Funds

The net assets relate to the unrestricted funds. There are no restricted funds.

### 12. Reserves

	Surplus Account
Balance at 1st March 1997	752,817
Prior year adjustment	( 3,675)
Donations paid in 1998	( 40,519)
	<u>708,623</u>
Surplus retained for year	98,574
Balance at 28th February 1998	<u>£ 807,197</u>

The directors review the level of charitable donations to be made subsequent to the year end. The donations paid in 1998 relate to the review by the Directors of the 1997 financial position of the Trust.

The prior year adjustment refers to underprovision for liabilities.

### 13. SUBSIDIARY COMPANIES

The subsidiary company is wholly owned. The company is a U.K. company, Training Services (Wales) Limited. Consolidated accounts have been prepared as a separate annual report and financial statement. Attached is a summary of the financial report of the subsidiary company.

# TRAINING TRUST (WALES) - NOTE 14

## SUMMARY OF SUBSIDIARY COMPANY FINANCIAL REPORT

### TRAINING SERVICES (WALES) LIMITED

YEAR ENDED 28TH FEBRUARY 1998

COMPANY NO. 2422780 (England & Wales)

#### INCOME EXPENDITURE ACCOUNT

	1998	1997
Income for the year	761,119	735,126
Expenditure for the year, before depreciation	682,220	629,384
	<u>78,899</u>	<u>105,742</u>
Depreciation	88,145	86,890
(Less) profit for the year before dividends and taxation	( 9,246)	18,852
(Taxation)	( 2,000)	( 9,375)
	<u>(11,246)</u>	<u>9,477</u>
Dividends paid to holding company (Trust)	(25,000)	(25,000)
Loss for the year, after taxation and dividends	<u>(36,246)</u>	<u>(15,523)</u>

#### BALANCE SHEET

Tangible assets	163,826	179,449
Intangible assets	-	1,366
Monies due from holding company (Trust)	101,712	109,456
	<u>265,538</u>	<u>290,271</u>
Excess of current assets over current liabilities	67,430	92,546
	<u>332,968</u>	<u>382,817</u>
Deduct creditors falling due after one year	(32,642)	(47,211)
	<u>300,326</u>	<u>335,606</u>
Share capital	353,761	353,761
Reserves	(53,435)	(18,155)
	<u>300,326</u>	<u>335,606</u>

The deficit in reserves has arisen as a result of dividends and covenants paid to the Trust. The directors are of the view that future trading will correct this position.

## TRAINING TRUST (WALES)

### CHAIRMAN'S STATEMENT - 1997/98

I am pleased to report that the Company continues to prosper. 1997 was another successful year on many fronts with a retained membership base of 140 organisations.

The Group is committed above all, to ensuring that the highest level of service is provided.

The market place continues to increase in terms of competition, this is borne out by a recent market survey which places Training & Consultancy as one of the fastest growing areas in the service sector. Related to this, there remains real concern over the market becoming saturated, coupled with the all too often sub-standard quality of many Training Consultancies. The group's philosophy is long term partnership based on high quality and cost effective services. We will continue to place critical importance on maintaining our standards and approved Awarding Body Status such as ISO9000, IIP, MCI, BTec and ISM. In fact, we are very pleased to state that in the Autumn of 1997, The Group was successfully reassessed in respect of Investors in People and retains this standard for a further 3 years.

There were improvements in the majority of activities during 1997. One in particular, was the achievement of 87% of Training Adviser visiting patterns and use of member days against a target of 85%. We are committed to achieve 90%+ in 1998.

In April 1997, the group launched its new Three Year Strategic Plan which centred on:

- Consolidating the Group's efficiency and financial strength
- The development of new products and services
- Growth into current and new markets.

The following is a summary of key progress made to date:

- We commenced a process of staff rationalisation in November 1997, linked to a new structure and the achievement of cost reductions.
- We implemented Group re-structuring to Cell/Team operations in March 1998.
- We established a new portfolio of Management Development programmes and launched TSW Management Solutions in April 1998.
- We commenced the new building at Fairwood House in June 1998.

The ability to support good causes and initiatives through the Training Trust is an important objective of the Company. During 1997/98, I am very pleased to state that the Group's allocated charitable donations of £40,000, primarily linked to promoting the involvement of young people in business e.g. 'Apprentice of the Year'; 'Young Enterprise' and 'CREST Awards'.

A new but challenging venture for us was the sponsorship of the first Welsh International Wheelchair Rugby Tournament held in Cardiff in May. The event, which was match funded by the Sports Council for Wales, was an outstanding success. It brought teams from all over Europe to Cardiff with over 100 Wheelchair Rugby players participating. We can be proud to have helped initiate this event which is due to be repeated in the year 2000.

Continued .../...

CHAIRMAN'S STATEMENTS - 1997/98, continued

The Group is in very good health and we can approach the millennium with confidence. However, there still remains many challenges, in particular, the extremely competitive nature of the market together with an all round reduction in TEC funding to support Modern Apprenticeship Initiatives. In fact, in 1998 we experienced reductions in our TEC contract work of £200,000, based solely on the funding reduction.

The investment in extending Fairwood House, the continued drive for product development and continuous quality improvement are aimed at confidently meeting the ever changing demands facing our members and clients and responding with a professional, high quality and, cost effective service.

Finally, my thanks to the Board for their continued support, their extremely valuable contribution and for their time given freely and voluntarily.

Ian Kelsall  
Chairman