

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2005**

**(Registered Charity Number 1044624)**

**(Registered Company Number 2978406)**



PKF (UK) LLP

**YMCA GEORGE WILLIAMS COMPANY  
ACCOUNTS  
YEAR ENDED 31 JULY 2005**

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**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
DIRECTORS AND ADVISORS  
YEAR ENDED 31 JULY 2005**

**DIRECTORS**

N Ali  
A Bell  
C Bounds  
P Crory  
J Hutcheson (resigned 27 January 2005)  
A Kirwan  
D Packwood  
Lady J Reid  
C Roles (resigned 21 October 2004)  
P Smillie  
A Rusbridge  
D Taylor  
N Vallely  
K Williams

**SECRETARY**

L Brooker

**REGISTERED OFFICE**

199 Freemasons Road  
Canning Town  
London  
E16 3PY

**AUDITORS**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

**BANKERS**

NatWest Bank Plc  
P O Box 306  
11 The Parade  
Canterbury  
Kent  
CT1 2DT

**CHARITY NUMBER**

1044624

**COMPANY NUMBER**

2978406

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
DIRECTORS' REPORT**

The directors present their report and the accounts for the year ended 31 July 2005.

**CONSTITUTION**

The Charitable Company's (College's) Governing Body was established under the Further and Higher Education Act 1992 for the purpose of conducting YMCA George Williams College. The College is an exempt charity for the purposes of the Charities Act 1993.

**PRINCIPAL ACTIVITIES**

The College is one of the largest providers of professional training for youth work, community work and community education in the United Kingdom. It is the only College in England to offer UK-wide qualifications in its field. The College has pioneered a number of significant developments in the delivery of vocational higher education and continues to secure additional support for key areas of work. The Rank Foundation currently supports work specifically in the areas of research, pre-qualifying programmes and distance learning qualifying programmes. The Jack Petchey Foundation supports taught Foundation Studies programmes as well as offering bursaries to local full-time students. The Community Fund supported the Introductory Studies programme until December 2005. The College produced a DVD to publicise this work with funding from the Community Fund. Until the end of funding in April 2005, the College remained the largest provider in the region of training for Personal Advisers for the Connexions Service and has been one of three HE Colleges to offer "Understanding Connexions" courses within JNC qualifying programmes nationally. Members of the academic staff team are active contributors in the field as teachers and researchers. The staff team are active in related higher education institutions, as published authors, speakers at conferences, external examiners or as a Visiting Professor. During the year of this report, College staff have secured contracts to act as consultants to a number of employers including several local authorities in London, Essex County Council and East and Central London Connexions Partnerships.

**DIRECTORS**

The directors who served during the year were:-

N Ali  
A Bell  
C Bounds  
P Crory  
J Hutcheson (Resigned 27 January 2005)  
A Kirwan  
D Packwood  
Lady J Reid  
C Roles (Resigned 21 October 2004)  
P Smillie  
A Rusbridge  
D Taylor  
N Vallely  
K Williams

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
DIRECTORS' REPORT**

**DEVELOPMENTS IN THE YEAR**

The College has continued to seek to integrate new curriculum developments within its programme for students. Given the announcement from the National Youth Agency that all JNC recognised qualification courses will be required to include a higher education level 3 qualification starting from 2010, the College is focussing on the opportunity which this offers. Although the College has been involved in offering level 3 courses for many years, this does allow us to further develop the curriculum offered to students. Members of the College staff are involved with the National Youth Agency on planning this change at a national and strategic level. The College is also aware its own programmes are scheduled for routine validation in 2007 and is already involved in significant planning for this occasion.

The College was successful in a joint bid with Canterbury Christ Church University to deliver Understanding Connexions programmes to London East Connexions Partnership for the year 2005-6.

The publication of the much-awaited Green Paper *Youth Matters* has allowed the College to plan ways in which this may be used to extend its network locally. This will be one of the key initiatives for the year 2005-6. The College intends to respond to this Green Paper on the basis of its discussion with local partners and stakeholders.

**DISABILITY POLICY**

George Williams College will not discriminate or treat any individual less favourably on the grounds of disability. As an employer and service provider, George Williams College aims to ensure that no student or job applicant or staff member receives less favourable treatment on the grounds of disability.

George Williams College aims to ensure that people with disabilities are given equal opportunities to enter employment. In so doing, it will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a disabled person is not put at a substantial disadvantage due to their disability. In addition, when staff members become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in the employment of George Williams College.

**PLANNED MAINTENANCE PROGRAMME**

The cost of the College's planned maintenance programme over a period of five years is estimated to be £50,000, resulting in an average annual charge of £10,000. The programme was developed following a review of the premises. The programme is reviewed annually.

**RESERVES POLICY**

Where possible, the College aims to hold reserves equivalent to 3 months' salary and running costs. Reserves have increased by £11,526 in the year to £331,429 of which £96,052 are "free and unencumbered".

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
DIRECTORS' REPORT**

**INTERNAL CONTROLS**

The Board of Governors is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day to day responsibility to the Principal, as Accounting Officer for reviewing the adequacy of internal control and making any appropriate amendments. The Principal is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place and operational from the period from August 2004 up to July 2005. The Finance Officer and staff have continued to work towards developing and maintaining the reporting and monitoring mechanisms, supported by the Principal. The College has ensured that the Annual General Meeting of the company, with the presentation of this report, remains at its normal scheduled time in January.

The Finance Committee is discussing draft Terms of Reference for its work and these will be agreed and presented to the Board of Governors during the coming year. A number of system and process changes have been identified and agreed for implementation to further improve the quality of financial and management information.

**AUDITORS**

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming extraordinary general meeting.

BY ORDER OF THE BOARD



L Brooker  
Secretary

10<sup>th</sup> February 2006

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
CORPORATE GOVERNANCE STATEMENT  
INCORPORATING STATEMENT OF INTERNAL CONTROL**

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the Stock Exchange in June 1998. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Governors, the College complies with all the provisions of the Combined Code in so far as they apply to the further education sector, and it has complied during the year ended 31 July 2005.

### **The Governors**

The College's Governing Body comprises a Board of thirteen members. The Principal, two members of staff and one student attend as representatives. The Board of Governors meets four times a year. The Board appoints a Chairman whose role is separate from the role of the College's Chief Executive, the Principal.

The Board of Governors is responsible for:

- the determination of the educational character and mission of the College and for oversight of its activities;
- the effective and efficient use of resources, the solvency of the College and the safeguarding of its assets;
- approving annual estimates of income and expenditure;
- the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of holders of Senior Posts;
- setting of framework for the pay and conditions of service of all College Staff Members other than the holders of Senior Posts; and
- the welfare of Students.

It is the Governor's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Governors are provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Governors meet each term. The Governors conduct its business through a number of committees. Each committee has terms of reference, which have been approved by the Governors. These committees are the Finance Committee and Academic Board. All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Secretary are matters for the Governors as a whole. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. The Governors have a strong and independent non-executive element and no individual or group dominates its decision making process. The Governors consider that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair of Governors and Principal of the College are separate.

### **Appointments to the Board of Governors**

Any new appointments to the Board of Governors are a matter for the consideration of the Governors as a whole. The Governors are responsible for ensuring that appropriate training is provided as required.

The Board of Governors is currently engaged in a recruitment exercise to secure a new Chair of the Board or Governors to replace Noel Valley who retires in January 2006. The Board is confident that its procedures will lead to the appointment of an appropriate person.

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
CORPORATE GOVERNANCE STATEMENT  
INCORPORATING STATEMENT OF INTERNAL CONTROL**

**Finance Committee**

The finance committee comprises Board Members and staff non-board members which meets approximately five times a year. In respect of financial matters the Board receives recommendations and advice from the Finance Committee. The Committee reviews reports from management to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the risks facing the College. No matters have been identified which resulted in material losses, contingencies, or uncertainties that require disclosure in the financial statements or in the Auditors' report on the financial statements. However the Committee seeks to continually improve the systems used and has identified a number of developments that are being implemented to enhance management information used in the monitoring and control of the College's financial position.

**Academic Board**

The College's academic governance is the responsibility of the Academic Board subject to agreements with its principal validating body, Canterbury Christ Church University, and where appropriate other validating and accrediting bodies. The Academic Board comprises the Principal, other College Staff Members and College Students. The Academic Board, which is a Committee of the Board of Governors, is responsible for:

- general issues relating to research, scholarship, teaching and courses at the College, including the fixing of criteria for the admission of students;
- the appointment and removal of internal and external examiners;
- policies and procedures for assessment and examination of the academic performance of students;
- the content of the curriculum;
- academic standards and the validation and review of courses;
- the procedures for the award of qualifications and honorary academic titles; and
- the procedures for the expulsion of students for academic reasons.

The Board will take recommendations and advice from the Academic Board on academic matters and the development of academic activities.

**INTERNAL CONTROL**

**Scope of Responsibility**

The Board of Governors is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day to day responsibility to the Principal, as Accounting Officer for reviewing the adequacy of internal control and making any appropriate amendments. The Principal is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically.

The Board acknowledge their responsibility for ensuring that the College has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used with the College or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.



**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
CORPORATE GOVERNANCE STATEMENT  
INCORPORATING STATEMENT OF INTERNAL CONTROL**

**Capacity to handle risk**

The Governors have reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2005 and up to the date of approval of the annual reports and accounts. This process is regularly reviewed by the Governors.

**The risk and control framework**

The system of internal control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. In particular it includes means to ensure that;

- formal policies are in place, including rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the College's assets;
- experienced and suitably qualified staff take responsibility for important functions;
- forecasts and budgets are prepared which allow the Board and management to monitor business risks and financial objectives, and progress towards plans set for the year and medium term. Regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through formal relevant sub-committees comprising Board Members and others.

**Review of effectiveness**

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal control is maintained and operated by YMCA George Williams College.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability including:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors;
- Regular reviews by the Governors of the periodic and financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performances;
- Clearly defined capital investment control guidelines; and
- The adoptions of the formal project management disciplines where appropriate.

My review of the effectiveness of the systems of internal control is informed by the work of the executive managers within the College who have responsibility for the development and maintenance of the financial control framework, other reports, and by the Finance Committee.

The Finance Committee is continually working to improve the quality of management accounting information used for monitoring performance against the College's budget. Improvements to systems are regularly implemented where appropriate to enhance such monitoring of budgets and control of the College's finances.

YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
CORPORATE GOVERNANCE STATEMENT  
INCORPORATING STATEMENT OF INTERNAL CONTROL

**Going Concern**

After making appropriate enquires, the Board of Governors considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

*May Woffe*  
Principal

*1/2/06*  
Date

*M Keely*  
Chair of Governors

*26 Jan, 2006*  
Date

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
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 charitable company and of the profit or loss of the charitable company for that period. In preparing those financial statements, the directors are required to:

- 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping 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. They are 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.

The directors are responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)**

We have audited the financial statements of YMCA George Williams Company (Incorporated) for the year ended 31 July 2005 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The responsibilities of the directors for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Statements are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if *information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.*

We read the Directors' 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 United Kingdom Auditing Standards issued by the Auditing Practices Board and the Audit Code of Practice issued by HEFCE. 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 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 state of affairs of the charitable company at 31 July 2005 and of the surplus of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PKF (UK) LLP**  
Registered Auditors

London, UK

10 FEBRUARY 2006

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 JULY 2005**

|  | <u>Notes</u> | <u>2005</u><br>£ | <u>2004</u><br>£ |
|--|--------------|------------------|------------------|
| <b>INCOME</b>  |              |                  |                  |
| Funding council grants                                     | 2            | 528,840          | 512,396          |
| Academic fees and grants                                   | 3            | 900,221          | 883,254          |
| Other income   |              | 18,103           | 4,491            |
| Interest receivable  |              | 6,779            | 3,022            |
|  |              | <hr/>            | <hr/>            |
|  |              | 1,453,943        | 1,403,163        |
|  |              | <hr/>            | <hr/>            |
| <b>EXPENDITURE</b>   |              |                  |                  |
| Staff costs  | 4            | 1,031,112        | 987,724          |
| Depreciation   | 7            | 7,051            | 20,385           |
| Other operating expenses                                   | 5            | 402,683          | 389,809          |
| Bank interest and charges                                  |              | 1,571            | 1,169            |
|  |              | <hr/>            | <hr/>            |
|  |              | 1,442,417        | 1,399,087        |
|  |              | <hr/>            | <hr/>            |
| <b>SURPLUS FOR THE YEAR<br/>FROM CONTINUING ACTIVITIES</b> |              | 11,526           | 4,076            |
| Appropriated from designated<br>reserve                    | 11           | -                | 15,000           |
|  |              | <hr/>            | <hr/>            |
| <b>NET SURPLUS</b>   |              | 11,526           | 19,076           |
| Balance brought forward at 1 August 2004                   |              | 319,903          | 300,827          |
|  |              | <hr/>            | <hr/>            |
| <b>BALANCE CARRIED FORWARD<br/>AT 31 JULY 2005</b>         |              | 331,429          | 319,903          |
|  |              | <hr/>            | <hr/>            |

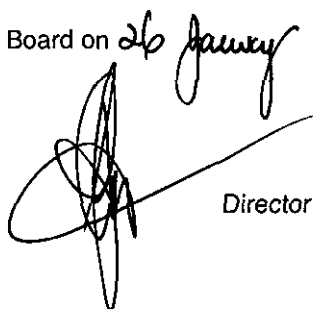
All amounts relate to continuing operations.

The company has no recognised gains and losses other than the surplus for the year.

**YMCA GEORGE WILLIAMS COMPANY**  
**(INCORPORATED) (Limited by Guarantee)**  
**BALANCE SHEET**  
**31 JULY 2005**

|                                     | <u>Notes</u> | <u>2005</u><br>£ | <u>2004</u><br>£ |
|-------------------------------------|--------------|------------------|------------------|
| <b>FIXED ASSETS</b>                 |              |                  |                  |
| Tangible assets                     | 7            | <u>235,377</u>   | <u>242,428</u>   |
| <b>CURRENT ASSETS</b>               |              |                  |                  |
| Debtors                             | 8            | 299,219          | 79,322           |
| Cash at bank and in hand            |              | <u>150,712</u>   | <u>144,456</u>   |
|                                     |              | 449,931          | 223,778          |
| <b>CREDITORS</b>                    |              |                  |                  |
| Amounts falling due within one year | 9            | <u>(353,879)</u> | <u>(146,303)</u> |
| <b>NET CURRENT ASSETS</b>           |              | <u>96,052</u>    | <u>77,475</u>    |
| <b>NET ASSETS</b>                   |              | <u>331,429</u>   | <u>319,903</u>   |
| <b>RESERVES</b>                     |              |                  |                  |
| Income and Expenditure Account      |              | 331,429          | 319,903          |
| Designated Reserves                 | 11           | -                | -                |
|                                     |              | <u>331,429</u>   | <u>319,903</u>   |

Approved by the Board on 26 January 2006

  
Director

**YMCA GEORGE WILLIAMS COMPANY**  
**(INCORPORATED) (Limited by Guarantee)**  
**CASH FLOW STATEMENT**  
**31 JULY 2005**

|   | <u>2005</u><br>£ | <u>2004</u><br>£ |
|---|------------------|------------------|
| <b>Reconciliation of net movement in funds<br/>to net cash inflow from<br/>operating activities</b> |                  |                  |
| Net movement in funds   | 11,526           | 4,076            |
| (Increase)/decrease in debtors  | (219,897)        | 21,717           |
| Increase/(decrease) in creditors  | 207,576          | (11,002)         |
| Depreciation  | 7,051            | 20,385           |
| Returns on investments and servicing of finance   | (6,779)          | (3,022)          |
|   | <hr/>            | <hr/>            |
| <b>Net cash (outflow)/inflow from operating activities</b>  | <b>(523)</b>     | <b>32,154</b>    |
|   | <hr/>            | <hr/>            |
| <b>Net cash (outflow)/inflow from<br/>operating activities</b>                                      | <b>(523)</b>     | <b>32,154</b>    |
| <b>Returns on investment and<br/>servicing of finance</b>   |                  |                  |
| Investment income   | 6,779            | 3,022            |
| <b>Financing</b>  |                  |                  |
| Repayment of mortgage   | -                | (10,537)         |
|   | <hr/>            | <hr/>            |
| <b>Increase in cash</b>   | <b>6,256</b>     | <b>24,639</b>    |
|   | <hr/>            | <hr/>            |

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
NOTES TO THE ACCOUNTS  
YEAR ENDED 31 JULY 2005**

**1 ACCOUNTING POLICIES**

**(a) Accounting convention**

These financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: 'Accounting in Further and Higher Education Institutions' and applicable accounting standards.

**(b) Income**

All income is accounted for on a receivable basis as and when it falls due.

Income from specific grants and donations is included to the extent of the relevant expenditure incurred during the year.

**(c) Deferred income**

Deferred income represents students academic fees, invoiced prior to the year end that relate to subsequent periods. Deferred income is released to 'academic fees and grants' within incoming resources in the period to which the income relates

**(d) Expenditure**

Expenditure, including staff costs, is included in the accounts on an accruals basis.

**(e) Depreciation**

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                    |   |                    |
|--------------------|---|--------------------|
| Freehold buildings | - | over 50 years      |
| Fittings           | - | over 4 to 10 years |
| Computer equipment | - | over 3 years       |

**(f) Capital expenditure**

All capital expenditure below £5,000 is written off as and when it is incurred.

**(g) Pensions**

The charitable company participates in a defined benefit scheme, as set out in note 14. Pension costs are assessed in accordance with the advice of an actuary based on the most recent actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the charitable company benefits from the employees' services.

**(h) Leases**

Instalments under operating lease agreements are charged to the income and expenditure account in the year in which they are incurred. Minimum operating lease commitments are shown in note 10.

**(i) Funds**

The Income and Expenditure Account represents the accumulated funds which are available for use at the discretion of the directors in furtherance of the objectives of the charitable company.



**YMCA GEORGE WILLIAMS COMPANY**  
**(INCORPORATED) (Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 2005**

| <b>2 FUNDING COUNCIL GRANT</b>                              | <u><b>2005</b></u><br><b>£</b> | <u><b>2004</b></u><br><b>£</b> |
|---|--------------------------------|--------------------------------|
| Recurrent grant Canterbury Christ Church University College | <b>528,840</b>                 | 512,396                        |
|   | <hr/>                          | <hr/>                          |
| <b>3 ACADEMIC FEES AND GRANTS</b>                           | <u><b>2005</b></u><br><b>£</b> | <u><b>2004</b></u><br><b>£</b> |
| Academics fees:   |                                |                                |
| Full time students  | <b>64,324</b>                  | 62,553                         |
| Part-time fees  | <b>305,407</b>                 | 217,358                        |
| Rank funded students  | <b>153,578</b>                 | 160,185                        |
| Other courses   | <b>157,882</b>                 | 132,533                        |
| Grants:   |                                |                                |
| Joseph Rank Benevolent Trust                                | <b>23,215</b>                  | 25,266                         |
| Community Fund (note 15)                                    | <b>32,646</b>                  | 61,901                         |
| Connexions  | <b>118,669</b>                 | 208,458                        |
| Jack Petchey Foundation                                     | <b>44,500</b>                  | 15,000                         |
|   | <hr/>                          | <hr/>                          |
|   | <b>900,221</b>                 | 883,254                        |
|   | <hr/>                          | <hr/>                          |

A number of grants have been received for specific restricted purposes and the funds have been applied under the terms of the funding.

| <b>4 STAFF</b>                    | <u><b>2005</b></u><br><b>£</b> | <u><b>2004</b></u><br><b>£</b> |
|-----------------------------------|--------------------------------|--------------------------------|
| Wages and salaries                | <b>882,628</b>                 | 861,995                        |
| Social security costs             | <b>64,384</b>                  | 57,653                         |
| Other pension costs               | <b>62,883</b>                  | 56,470                         |
| Staff recruitment and development | <b>21,217</b>                  | 11,606                         |
|                                   | <hr/>                          | <hr/>                          |
|                                   | <b>1,031,112</b>               | 987,724                        |
|                                   | <hr/>                          | <hr/>                          |

The above emoluments include amounts payable to the Principal of:

|                       | <u><b>2005</b></u><br><b>£</b> | <u><b>2004</b></u><br><b>£</b> |
|-----------------------|--------------------------------|--------------------------------|
| Salary                | <b>48,862</b>                  | 48,831                         |
|                       | <hr/>                          | <hr/>                          |
| Pension contributions | <b>8,008</b>                   | 6,294                          |
|                       | <hr/>                          | <hr/>                          |

The Pension contributions in respect of the Principal are employer's contributions to the YMCA England Scheme (see note 14) and are paid at the same rate as for other employees.

No other directors received any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. During the year 4 directors were reimbursed travel expenses totalling £973.

**YMCA GEORGE WILLIAMS COMPANY**  
**(INCORPORATED) (Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 2005**

**4 STAFF (Continued)**

The average weekly number of persons (including senior post-holders) employed by the College during the year, expressed as full-time equivalents, was:

|                     | <u>2005</u><br><u>Number</u> | <u>2004</u><br><u>Number</u> |
|---------------------|------------------------------|------------------------------|
| Academic            | 9.6                          | 10.8                         |
| Administrative      | 12.9                         | 10.6                         |
| Freelance Lecturers | 11.3                         | 12.6                         |
| Supervisors         | 5.8                          | 5.2                          |
|                     | <hr/> 39.6 <hr/>             | <hr/> 39.2 <hr/>             |

**5 OTHER OPERATING EXPENSES**

|   | <u>2005</u><br><u>£</u> | <u>2004</u><br><u>£</u> |
|---|-------------------------|-------------------------|
| Academic costs                              | 243,694                 | 213,498                 |
| Premises costs                              | 48,342                  | 53,845                  |
| Administration costs                        | 80,404                  | 77,344                  |
| Auditors remuneration                       |                         |                         |
| - Audit fees - current year                 | 6,874                   | -                       |
| - prior year under accrual                  | 6,678                   | 6,316                   |
| - Other services - prior year under accrual | -                       | 15,980                  |
| Connexions costs                            | 16,691                  | 22,826                  |
|   | <hr/> 402,683 <hr/>     | <hr/> 389,809 <hr/>     |

**Other operating expenses include:**

|  |        |        |
|--|--------|--------|
| Payments made under operating leases – equipment | 15,724 | 15,784 |
|  | <hr/>  | <hr/>  |

**6 ANALYSIS OF EXPENDITURE BY ACTIVITY**

|  | <u>Staff</u><br><u>costs</u><br><u>£</u> | <u>Depreciation</u><br><u>£</u> | <u>Other</u><br><u>expenses</u><br><u>£</u> | <u>Bank</u><br><u>charges</u><br><u>£</u> | <u>Total</u><br><u>£</u> |
|--|--|---------------------------------|---|---|--------------------------|
| Academic departments                     | 551,561                                  | -                               | 21,321                                      | -   | 572,882                  |
| Academic services                        | 36,358                                   | -                               | 83,249                                      | -   | 119,607                  |
| Other support services                   | 59,325                                   | -                               | 13,923                                      | -   | 73,248                   |
| General education expenses               | -  | -                               | 141,892                                     | -   | 141,892                  |
| Premises                                 | -  | 7,051                           | 48,342                                      | -   | 55,393                   |
| Administration                           | 383,868                                  | -                               | 93,956                                      | 1,571                                     | 479,395                  |
|  | <hr/>                                    | <hr/>                           | <hr/>                                       | <hr/>                                     | <hr/>                    |
| Total Per Income and Expenditure account | 1,031,112                                | 7,051                           | 402,683                                     | 1,571                                     | 1,442,417                |
|  | <hr/>                                    | <hr/>                           | <hr/>                                       | <hr/>                                     | <hr/>                    |

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
NOTES TO THE ACCOUNTS  
YEAR ENDED 31 JULY 2005**

**7 TANGIBLE ASSETS**

|                        | <u>Computer<br/>equipment</u><br>£ | <u>Fittings</u><br>£ | <u>Freehold<br/>land and<br/>buildings</u><br>£ | <u>Total</u><br>£ |
|------------------------|------------------------------------|----------------------|---|-------------------|
| <b>Cost</b>            |                                    |                      |   |                   |
| At 1 August 2004       | 40,000                             | 46,213               | 848,193   | 934,406           |
| Additions              | -                                  | -                    | -   | -                 |
| <b>At 31 July 2005</b> | <b>40,000</b>                      | <b>46,213</b>        | <b>848,193</b>                                  | <b>934,406</b>    |
| <b>Depreciation</b>    |                                    |                      |   |                   |
| At 1 August 2004       | 40,000                             | 42,039               | 609,939   | 691,978           |
| Charge for the year    | -                                  | 2,087                | 4,964   | 7,051             |
| <b>At 31 July 2005</b> | <b>40,000</b>                      | <b>44,126</b>        | <b>614,903</b>                                  | <b>699,029</b>    |
| <b>Net book value</b>  |                                    |                      |   |                   |
| At 31 July 2005        | -                                  | 2,087                | 233,290   | 235,377           |
| <b>At 31 July 2004</b> | <b>-</b>                           | <b>4,174</b>         | <b>238,254</b>                                  | <b>242,428</b>    |

The directors became aware in the year ended 31 July 2000 that the carrying value of the freehold premises occupied by the charitable company had become impaired. They were advised in a valuation prepared by Palmer Payne, Chartered Surveyors, on 23 November 1999 that the open market value of the freehold land and buildings was £260,000, which the directors considered to be a reasonable approximation of an existing use value. There was therefore an impairment write down by way of an additional depreciation charge of £521,635 in the year ended 31 July 2000. The directors are not aware of any material changes since the last valuation.

**8 DEBTORS**

|                                | <u>2005</u><br>£ | <u>2004</u><br>£ |
|--------------------------------|------------------|------------------|
| Debtors                        | 254,379          | 43,982           |
| Prepayments and accrued income | 44,840           | 35,340           |
|                                | <b>299,219</b>   | <b>79,322</b>    |

**9 CREDITORS**

|   | <u>2005</u><br>£ | <u>2004</u><br>£ |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade creditors                             | 6,019            | 7,752            |
| Other creditors                             | 27,023           | 38,371           |
| Other taxes and social security costs       | 39,810           | 195              |
| Accruals and deferred income                | 281,027          | 99,985           |
|   | <b>353,879</b>   | <b>146,303</b>   |

**YMCA GEORGE WILLIAMS COMPANY**  
**(INCORPORATED) (Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 2005**

**7 TANGIBLE ASSETS**

|                        | <u>Computer<br/>equipment</u><br>£ | <u>Fittings</u><br>£ | <u>Freehold<br/>land and<br/>buildings</u><br>£ | <u>Total</u><br>£ |
|------------------------|------------------------------------|----------------------|---|-------------------|
| <b>Cost</b>            |                                    |                      |   |                   |
| At 1 August 2004       | 40,000                             | 46,213               | 848,193   | 934,406           |
| Additions              | -                                  | -                    | -   | -                 |
| <b>At 31 July 2005</b> | <b>40,000</b>                      | <b>46,213</b>        | <b>848,193</b>                                  | <b>934,406</b>    |
| <b>Depreciation</b>    |                                    |                      |   |                   |
| At 1 August 2004       | 40,000                             | 42,039               | 609,939   | 691,978           |
| Charge for the year    | -                                  | 2,087                | 4,964   | 7,051             |
| <b>At 31 July 2005</b> | <b>40,000</b>                      | <b>44,126</b>        | <b>614,903</b>                                  | <b>699,029</b>    |
| <b>Net book value</b>  |                                    |                      |   |                   |
| At 31 July 2005        | -                                  | 2,087                | 233,290   | 235,377           |
| At 31 July 2004        | -                                  | 4,174                | 238,254   | 242,428           |

The directors became aware in the year ended 31 July 2000 that the carrying value of the freehold premises occupied by the charitable company had become impaired. They were advised in a valuation prepared by Palmer Payne, Chartered Surveyors, on 23 November 1999 that the open market value of the freehold land and buildings was £260,000, which the directors considered to be a reasonable approximation of an existing use value. There was therefore an impairment write down by way of an additional depreciation charge of £521,635 in the year ended 31 July 2000. The directors are not aware of any material changes since the last valuation.

**8 DEBTORS**

|                                | <u>2005</u><br>£ | <u>2004</u><br>£ |
|--------------------------------|------------------|------------------|
| Debtors                        | 276,835          | 43,982           |
| Prepayments and accrued income | 22,384           | 35,340           |
|                                | <b>299,219</b>   | <b>79,322</b>    |

**9 CREDITORS**

|   | <u>2005</u><br>£ | <u>2004</u><br>£ |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade creditors                             | 6,019            | 7,752            |
| Other creditors                             | 27,023           | 38,371           |
| Other taxes and social security costs       | 39,810           | 195              |
| Accruals and deferred income                | 281,027          | 99,985           |
|   | <b>353,879</b>   | <b>146,303</b>   |

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
NOTES TO THE ACCOUNTS**

**14 PENSION COMMITMENT**

Pension arrangements for the College's staff are made through the YMCA contributory pension plan, which provides its members with defined benefits based on final pensionable pay. The assets of the Plan are held separately from those of the YMCA, being invested in the Legal & General and Schroders Managed Funds Units. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent completed valuation was as at 1 May 2002. The assumptions used which have the most significant effect on the results of the valuation are those relating to the investment yield of 6.5% per annum and the rate of earnings increase of 4.25% per annum. The result of the valuation showed that the actuarial value of the assets was £33.9m. This represented 76% of the benefits that had accrued to members, after allowing for expected future increases in earnings. However, under Section 56 of the Pensions Act 1995, the Minimum Funding Requirement (the MFR) funding level was 86%.

From 1 May 2003 the contribution rate for employees was increased to 8%, employer contributions remaining at 14.4%.

The pension charge for the year is given in note 4 which represents contributions for one year. It is, however, not possible to identify the College's share of the underlying assets and liabilities of the Scheme. Therefore reduced disclosure is given, as permitted for multi-employer schemes under Financial Reporting Standard 17 "Retirement Benefits".

**15 COMMUNITY FUND – RESTRICTED FUNDS**

|                       | <b>Balance<br/>brought<br/>forward<br/>£</b> | <b>Income<br/>receivable<br/>in year<br/>£</b> | <b>Expenditure<br/>incurred<br/>in year<br/>£</b> | <b>Balance<br/>carried<br/>forward<br/>£</b> |
|-----------------------|--|--|---|--|
| <b>Community Fund</b> | <b>10,386</b>                                | <b>22,260</b>                                  | <b>33,076</b>                                     | <b>(430)</b>                                 |

YMCA George Williams College received £15,000 from the Community Fund in 2004/2005 and £15,000 remains outstanding from the Community Fund for 2004/2005. At 31 July 2005 £Nil (2004: £25,346) has been carried forward as deferred income.

Our accounts are prepared on an accruals basis, showing revenue earned throughout the year, not cash received. The accounts therefore show income of £32,646 for the year.

This money has been received for specific restricted purposes and the funds have been applied under the terms of the funding.

Monies are spent on student registration with the Open College network, fulltime and sessional staff, course development, delivery and evaluation. The balances brought forward and carry forward represent money accrued and deferred on the balance sheet.

**FOR MANAGEMENT  
INFORMATION ONLY**

**YMCA GEORGE WILLIAMS COMPANY  
(INCORPORATED) (Limited by Guarantee)  
OTHER OPERATING EXPENSES  
YEAR ENDED 31 JULY 2005**

|   | <u>2005</u><br>£ | <u>2004</u><br>£ |
|---|------------------|------------------|
| Consumables                                   | 1,022            | 7,178            |
| Books and periodicals                         | 14,143           | 9,732            |
| Heat, light, water and power                  | 11,774           | 9,198            |
| Repairs and general maintenance               | 12,378           | 10,065           |
| Grant to Students Union and Students Affairs  | 1,090            | 1,807            |
| Rent and rates                                | 17,179           | 14,135           |
| Auditors remuneration                         | 13,550           | 22,296           |
| YMCA affiliation fees                         | 2,844            | 14,828           |
| Printing                                      | 24,982           | 22,745           |
| Postage, stationery and telephone             | 46,740           | 44,115           |
| Validation and C4 costs                       | 7,542            | 20,425           |
| Regional/residential and supervisors expenses | 7,315            | 3,662            |
| Residential course costs                      | 36,775           | 46,726           |
| Insurance                                     | 13,127           | 11,129           |
| Publicity and advertising                     | 11,194           | 7,188            |
| Other expenses                                | 55,164           | 50,600           |
| Cleaning Expenses                             | 28,801           | 21,782           |
| Legal and professional                        | 2,954            | 6,062            |
| Travel and subsistence                        | 7,200            | 10,107           |
| Computer implementation and support           | 12,448           | 9,954            |
| Connexions cost                               | 16,691           | 29,327           |
| Rank costs                                    | 19,688           | 6,267            |
| Lottery costs                                 | 9,686            | 6,319            |
| Foundation Studies Freelance                  | 28,396           | 4,162            |
|   | <hr/>            | <hr/>            |
|   | <b>402,683</b>   | <b>389,809</b>   |
|   | <hr/>            | <hr/>            |