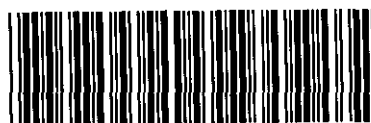


Company Registration Number 998121
Charity Number 1092902

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COMPANIES HOUSE

Cansdales
Bourbon Court
Nightingales Corner
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Buckinghamshire
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**AYLESBURY TRAINING GROUP
(TRADING AS ATG)**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JULY 2006

AYLESBURY TRAINING GROUP

Company number 998121

Registered charity number 1092902

OFFICERS AND PROFESSIONAL ADVISERS

The Directors J Adams
R R Ball
F Brown
P Burnham
S Chavda
D Granshaw
H Simpson

Company secretary S Green

Registered office Gatehouse Close
Aylesbury
Bucks
HP19 8DN

Auditors Cansdales
Chartered Accountants, Business Advisers
& Registered Auditors
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Bankers Lloyds TSB
1 Market Square
Aylesbury
Bucks
HP20 1TD

AYLESBURY TRAINING GROUP

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

	Page
Report of the Directors	1 – 4
Independent Auditors' Report to the Members	5– 6
Consolidated Statement of Financial Activities (including Income and Expenditure Account)	7
Consolidated Balance Sheet	8
Charitable Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	11 – 19

AYLESBURY TRAINING GROUP

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2006

The directors have pleasure in presenting their report and the consolidated financial statements for the year ended 31 July 2006.

Principal activity and business review

The principal activity of the group throughout the year was to promote and advance the training of persons employed or to be employed particularly in the engineering, business and information technology sectors.

The key objectives for the year were to achieve the budgeted surplus, achieve a second Centre of Vocational Excellence (CoVE) award and a satisfactory outcome from the inspection carried out by the Adult Learning Inspectorate. These targets were met.

The group has enjoyed a further financially successful year and also achieved a second Centre of Vocation Excellence (CoVE), this one for the UK cycle industry. This success attracted funding to facilitate the creation of a network of cycle training centres in England to service the training needs of the cycle industry. There has also been a growth in the Care sector of the group's training activities and this coincided with an Adult Learning Inspectorate (ALI) inspection. The ALI awarded the Leadership and Management category and the Care programme a Grade 2 (Good) indicating that along with its overall performance the group had also maintained a high level of quality.

Achieving the second CoVE award was a significant development and will underpin the group's development and growth and enhance its reputation during the next few years. The CoVEs will enable the group to communicate with a wider audience, offer a greater range of programmes and engage a larger number of learners.

CoVE

The cycle industry CoVE is one of a number of such centres that has been recognised as a CoVE by a government agency which has provided funding to improve the training capacity available to a range of industries. In this case the aim is to support the cycle industry. It is recognised that the growth of cycling will lead to a greater demand for high standards of mechanical servicing and repair. As part of this initiative the CoVE funding supports the establishment of three cycle training centres in England and the first of these will open in Manchester in late 2006. To maintain transparency in the financial statements the cycles CoVE income has been credited to a restricted fund and will be disbursed to account for the capital equipment's annual depreciation as is the case for the earlier engineering CoVE. The revenue income and expenditure has been accounted for under appropriate CoVE headings.

Limited liability

The charitable company is limited by guarantee with each member guaranteeing £30 in the event of the charitable company being wound up whilst they are a member and for one year after ceasing to be a member. The members have each deposited such sums upon becoming members and these are held by the charitable company in reserve to cover any liability.

Members

At 31 July 2006 there were 89 members (2005: 76).

Charitable status

The charitable company has been granted charitable status by the Inland Revenue. The charitable company is a registered charity with the Charity Commission under number 1092902.

AYLESBURY TRAINING GROUP

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2006

Payment Policy

The average payment period for creditors was forty five days.

Directors and their interests

The directors who sat on the Board of Management and served the charitable company at any time during the year were:

J Adams	S Chavda
R R Ball (Chief Executive)	D Granshaw (Chairman)
F Brown	S Richards (resigned 29 March 2006)
P Brown (resigned 31 August 2005)	H Simpson
P Burnham (appointed 5 October 2005)	G Warrington (resigned 29 November 2005)

The charitable company's directors meet every two months to consider the Chief Executive's report and reports from sub committees such as Audit, Investment and Remuneration. They also receive detailed reports on financial and contractual matters and reports on Health and Safety and Equality and Diversity. Each report is considered and the proceedings are minuted. The charitable company is headed by the Chief Executive and is organised into a Learning and Skills Directorate headed by a director that has within it all aspects of learning, a Finance and HR Department with a qualified Company Secretary, a Contracts Department and a Business Development and Marketing Department. The directors of the subsidiary company also report to the Chief Executive.

In accordance with the Articles of Association one third of the directors are required to retire at each Annual General Meeting of the charitable company, in addition to any directors appointed since the previous Annual General Meeting to fill a casual vacancy. All retiring directors are eligible for re-election at the Annual General Meeting unless otherwise disqualified from acting as a director. Directors may be nominated by member companies, but are not members in their own right.

Investment policy

The Board has appointed an Investment Committee consisting of three of its members and the Board has resolved its investment strategy. It has determined that its investments will reflect a conservative approach. The Board takes professional investment advice as it considers necessary.

Health and safety

There have been no reportable accidents to personnel or equipment during the year and regular meetings of the Safety Committee have been held.

Reserves policy

The Board has resolved to maintain a prudent approach to the maintenance of reserves. They recognise that the group draws its primary income from its government contracts to deliver training programmes. The Board is aware that these contracts can be subject to significant change and at relatively short notice. The Board seek to maintain a level of reserves that are sufficient to provide a fund from which to resource any necessary changes in order to respond to such a change in government policy on training. They have set this as approximately six months normal running costs. At present the free reserves, which amount to nearly £1.6m, are a little below this target level and the group is working towards achieving this.

AYLESBURY TRAINING GROUP

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2006

Risk review

The Board has conducted a review of the major risks to which charitable company is exposed and systems have been established to mitigate those risks. The Board reviewed all the risks that could reasonably be foreseen and measures have been implemented to reduce the exposure where possible.

The Board seeks to minimise internal risks by its procedures for authorisation of all transactions and projects and to ensure as far as possible consistent quality of delivery for all operational aspects. These procedures are periodically reviewed to ensure that they continue to be appropriate. The Board has appointed an audit committee consisting of two of its members.

Directors' responsibilities

Company law requires the directors to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group at the end of the period and of the surplus or deficit of the group for that period.

In preparing those consolidated financial statements the directors should follow best practice and select suitable accounting policies and then apply them on a consistent basis and make judgements and estimates that are reasonable and prudent. The directors must also prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure that the consolidated financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit Committee

The Board has an audit committee consisting of three members who review the risks and opportunities facing the charitable company, and makes reports and recommendations to the Board.

Chief Executive's Remuneration Committee

The Board has a remuneration committee consisting of two members who agree and set the Chief Executive appropriate performance targets and make recommendations to the Board concerning the Chief Executive's remuneration.

Auditors

In accordance with the provisions of the Companies Act it is proposed that Cansdales be re-appointed auditors to the group for the ensuing year.

AYLESBURY TRAINING GROUP**REPORT OF THE DIRECTORS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2006**

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", issued March 2005, and the Companies Act 1985.

On behalf of the Board



D Granshaw
Director

...29/v/...2006

Gatehouse Close
Aylesbury
Bucks
HP19 8DN

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AYLESBURY TRAINING GROUP
FOR THE YEAR ENDED 31 JULY 2006**

We have audited the consolidated financial statements of Aylesbury Training Group for the year ended 31 July 2006 which consist of the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the charitable company Balance Sheet, the consolidated Cash Flow Statement and the related notes numbered 1 to 18, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in note 1.

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

As described in the Report of the Directors, the charitable company's directors, who are directors for the purpose of company law and trustees for the purpose of charity law, are responsible for the preparation of the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated 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 consolidated financial statements, if the charitable company or group 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 group or charitable company is not disclosed.

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

Basis of audit opinion

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AYLESBURY TRAINING GROUP
FOR THE YEAR ENDED 31 JULY 2006 - CONTINUED**

Opinion

In our opinion the consolidated financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's and group's state of affairs as at 31 July 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, the consolidated financial statements have been properly prepared in accordance with the Companies Act 1985 and the information given in the Director's Report is consistent with the consolidated financial statements for the year ended 31 July 2006.

1st December 2006

CANSDALES

Chartered Accountants & Registered Auditors

Bourbon Court,
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

AYLESBURY TRAINING GROUP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 JULY 2006

	Note	Unrestricted funds	Restricted funds	2006 £	2005 £
Incoming resources					
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		7,554	-	7,554	-
External commercial training consultancy fees		351,889	-	351,889	335,614
Investment income		48,581	-	48,581	36,953
		<u>408,024</u>	<u>-</u>	<u>408,024</u>	<u>372,567</u>
<i>Incoming resources from charitable activities</i>					
Government contracts		3,557,987	280,416	3,838,403	3,554,195
Deferred from earlier/(to future) periods		43,200	37,607	80,807	(451,754)
Course fees		91,974	-	91,974	88,113
	2	<u>3,693,161</u>	<u>318,023</u>	<u>4,011,184</u>	<u>3,190,554</u>
<i>Other incoming resources</i>					
Profit on disposal of fixed assets		-	-	-	10,281
Total incoming resources		<u>4,101,185</u>	<u>318,023</u>	<u>4,419,208</u>	<u>3,573,402</u>
 Resources expended					
<i>Charitable activities</i>		3,215,320	323,441	3,538,761	2,852,498
<i>Costs of generating funds</i>					
Direct costs of commercial training consultancy fees		324,320	-	324,320	323,835
Governance costs		38,244	-	38,244	41,608
Total resources expended	3	<u>3,577,884</u>	<u>323,441</u>	<u>3,901,325</u>	<u>3,217,941</u>
Net income for the year		523,301	(5,418)	517,883	355,461
Balance brought forward at 1 August 2005		1,601,831	23,015	1,624,846	1,269,385
Balance carried forward at 31 July 2006		<u>2,125,132</u>	<u>17,597</u>	<u>2,142,729</u>	<u>1,624,846</u>

There were no acquisitions or discontinued operations during the current or preceding year.

The group has no recognised gains or losses other than those included in the above Statement of Financial Activities and therefore no separate statement of total recognised gains and losses is needed.

AYLESBURY TRAINING GROUP

CONSOLIDATED BALANCE SHEET
AT 31 JULY 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	8	748,063	725,953
Investments	9	7,554	-
Current assets			
Debtors	10	455,599	605,248
Short term investments		1,275,060	695,199
Cash at bank and in hand		324,943	290,786
		<u>2,055,602</u>	<u>1,591,233</u>
Creditors			
Amounts falling due within one year	11	(665,820)	(689,040)
Net current assets		1,389,782	902,193
Creditors			
Amounts falling due after more than one year			
Provisions for liabilities and charges			
Net assets		<u>£2,145,399</u>	<u>£1,628,146</u>
Reserves			
Members guarantee account	12	2,670	3,300
Restricted funds	14	17,597	23,015
Unrestricted Funds			
General funds		1,572,766	1,107,019
Designated funds	13	<u>552,366</u>	<u>494,812</u>
		2,125,132	1,601,831
		<u>£2,145,399</u>	<u>£1,628,146</u>

The consolidated financial statements were approved by the Directors on 29/7/2006 and are signed on behalf of the Board by:



D Granshaw
Director



R R Ball
Director

AYLESBURY TRAINING GROUP

CHARITABLE COMPANY BALANCE SHEET
AT 31 JULY 2006

	Note	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	8		748,063		725,953
Investments	9		7,654		100
Current assets					
Debtors	10	418,103		561,540	
Short term investments		1,275,060		695,199	
Cash at bank and in hand		289,415		269,437	
		<u>1,982,578</u>		<u>1,526,176</u>	
Creditors					
Amounts falling due within one year	11	<u>(617,297)</u>		<u>(629,545)</u>	
Net current assets			1,365,281		896,631
Net assets			<u>£2,120,998</u>		<u>£1,622,684</u>
Reserves					
Members guarantee account	12		2,670		3,300
Restricted funds	14		17,597		23,015
Unrestricted Funds					
General funds		1,548,365		1,101,557	
Designated funds	13	<u>552,366</u>		<u>494,812</u>	
			2,100,731		1,596,369
			<u>£2,120,998</u>		<u>£1,622,684</u>

The consolidated financial statements were approved by the Directors on 29/1/2006 and are signed on behalf of the Board by:



D Granshaw
Director



R R Ball
Director

AYLESBURY TRAINING GROUP

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2006

	2006		2005	
	£	£	£	£
Net income for the year		517,883		355,461
Add: Depreciation		97,598		85,000
Less: Interest received and similar income	(48,581)		(36,953)	
Value of shares received in the year	(7,554)		-	
Profit on sale of fixed assets	-		(10,281)	
		(56,135)		(47,234)
Net income/(expenditure) from operating activities		559,346		393,227
Decrease/(Increase) in debtors	149,649		(231,273)	
(Decrease)/Increase in creditors	(23,220)		538,172	
		126,429		306,899
Net cash outflow from operating activities		685,775		700,126
Returns on investments and servicing of finance				
Interest received and similar income	48,581		36,953	
Reduction in members' guarantees held	(630)		-	
		47,951		36,953
Capital expenditure				
Proceeds from sales of fixed assets	-		14,800	
Purchase of tangible fixed assets	(119,708)		(332,295)	
		(119,708)		(317,495)
Net increase in cash and cash equivalents		614,018		419,584

ANALYSIS OF NET FUNDS

	At 1.8.05	Change in year	At 31.7.06
Cash at bank and in hand	290,786	34,157	324,943
Short term investments	695,199	579,861	1,275,060
	985,985	614,018	1,600,003

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

1 **Accounting policies**

a) **Basis of preparation of the consolidated financial statements**

The consolidated financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets. The consolidated financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 1985 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005.

The consolidated financial statements include the results of the subsidiary company, ATG Enterprise Training & Consulting Limited for the year ended 31 July 2006. The consolidated financial statements are consolidated on a line by line basis. A separate statement of financial activities is not presented because the charitable company has taken advantage of the provisions of paragraph 397 of the SORP and section 230 of the Companies Act 1985. The result in the year ended 31 July 2006 for Aylesbury Training Group is gross income of £4,066,893 and a surplus of £498,944.

b) **Depreciation**

Depreciation has been calculated to write off the cost of tangible fixed assets less estimated residual value over their expected useful lives using the following rates:

Leasehold property	-	straight line over the period of the lease.
Mobile premises	-	10% per annum straight line
Workshop machinery	-	15% per annum straight line
Office and Canteen equipment	-	20% per annum straight line
Motor vehicles	-	25% per annum straight line
Business equipment	-	50% per annum straight line
Property improvements	-	straight line over the remaining period of the lease

Items of equipment are only capitalised where the purchase price exceeds £1,500.

c) **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised and are depreciated over their useful lives. Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

d) **Pension contributions**

The group operated a defined contribution pension scheme for the employees and directors until 30 June 2006 when the scheme was closed and all assets were transferred to Group Personal Pension Plans for each member. The assets of both schemes were held separately from those of the group. The pension cost charge represents contributions paid to the defined contribution scheme and the Group Personal Pension Plans in the year.

e) **Short term investments**

The group invests surplus cash in short dated government stocks and bank/ building society accounts. These are shown separately on the Balance Sheet at their redemption value.

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 20061 **Accounting policies - continued**f) **Incoming resources**

Income is recognised in the period in which the group is legally entitled to the income and the amount can be quantified with reasonable accuracy, provided any conditions for receipt have been complied with. Income from government and other agencies has been included as incoming resources from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use.

g) **Resources expended**

Expenditure is accounted for on an accruals basis, inclusive of VAT where this cannot be recovered. Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories. Certain other costs and some staff costs are attributable to more than one activity. In these cases the costs have been apportioned to the individual activities on the basis of the time spent by staff on matters relating to those activities. Support costs have been allocated on the basis of resources used and have been apportioned to the cost centres of individual projects within charitable expenditure and governance costs in accordance with the requirements of the revised Statement of Recommended Practice [SORP 2005]. Governance costs comprise all costs relating to the public accountability of the group and its compliance with regulation and good practice. These costs include costs relating to the statutory audit.

h) **Funds accounting**

Funds held by the group are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds – these are funds set aside by the directors out of unrestricted general funds for specific purposes or projects.

Restricted funds – these are funds which can only be used for particular purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The nature and purpose of each fund is explained further in the notes to the consolidated financial statements.

i) **Tax status**

The charitable company is a registered charity within the definition of section 506(1) Income & Corporation Taxes Act and is therefore able to take advantage of the exemptions given by section 505 of that Act. The subsidiary company, ATG Enterprise Training & Consulting Limited is subject to corporation tax.

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2006

2 Incoming resources from charitable activities

	Unrestricted funds	Restricted funds	Total funds 2006	Total funds 2005
	£	£	£	£
Engineering	1,571,793	318,023	1,889,816	1,535,451
Business training	833,092	-	833,092	524,644
Telecoms	-	-	-	7,899
Recruitment & marketing	2,600	-	2,600	11,938
Learning & skills	14,989	-	14,989	-
Cycle maintenance	1,001,254	-	1,001,254	877,390
IT services	269,432	-	269,432	233,233
	<u>3,693,161</u>	<u>318,023</u>	<u>4,011,184</u>	<u>3,190,554</u>

Incoming resources represents income relating to the funding of trainees under government contracts, income from investments and other amounts derived from the provision of services during the year, excluding value added tax. Receipts in advance in respect of periods extending beyond the year end are included on an apportionment basis. When income is performance related it is only brought in to the consolidated financial statements once performance has been certified. None of the group's turnover was derived from supplying geographical markets outside the United Kingdom.

3 Resources expended

	Unrestricted funds			Restricted funds			Total 2006	Total 2005
	Staff & similar costs	Other costs	Support costs	Staff & similar costs	Other costs	Support costs	£	£
	£	£	£	£	£	£	£	£
Engineering	507,111	459,873	311,426	42,411	245,586	35,444	1,601,851	1,252,965
Business training	215,153	302,770	134,671	-	-	-	652,594	495,114
Telecoms	-	60	-	-	-	-	60	15,212
Recruitment & marketing	119,804	65,945	-	-	-	-	185,749	147,721
Learning & skills	8,518	-	-	-	-	-	8,518	-
Cycle maintenance	342,654	207,654	235,674	-	-	-	785,981	715,176
IT services	57,105	86,981	159,921	-	-	-	304,007	226,310
Other shared costs	-	123,913	(123,913)	-	35,444	(35,444)	-	-
	<u>1,250,345</u>	<u>1,247,196</u>	<u>717,779</u>	<u>42,411</u>	<u>281,030</u>	<u>-</u>	<u>3,538,761</u>	<u>2,852,498</u>
Commercial training consultancy fees	-	324,320	-	-	-	-	324,320	323,835
Governance costs	13,355	24,889	-	-	-	-	38,244	41,608
	<u>1,263,700</u>	<u>1,596,405</u>	<u>717,779</u>	<u>42,411</u>	<u>281,030</u>	<u>-</u>	<u>3,901,325</u>	<u>3,217,941</u>

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2006

4 Directors' emoluments and staff costs

The remuneration paid to directors of the charitable company during the year amounted to:

	2006	2005
	£	£
Remuneration	111,829	106,260
Other emoluments (pension and benefits in kind)	39,482	29,608
	<u>151,311</u>	<u>£135,868</u>

The Chief Executive and H Simpson are remunerated in accordance with the Memorandum and Articles of Association of the parent undertaking and both were members of the group's defined contribution pension scheme and have now transferred their pensions to the Group Personal Pension Plan following the closure of the defined contribution scheme. No other directors are paid.

Staff costs, including directors' remuneration but excluding amounts paid to trainees and apprentices during their period of training, amounted to:

	2006	2005
	£	£
Wages and salaries	1,701,113	1,380,562
Social security costs	169,663	111,146
Pension contributions	63,493	57,872
	<u>1,934,269</u>	<u>£1,549,580</u>

The average number of employees during the year, excluding trainees and apprentices during their period of training, was 71 (2005: 61). There were 21 employees accruing benefits under the group's defined contribution pension scheme until it closed and subsequently in Group Personal Pension Plans (2005: 21).

5 Net income for the year

Net income for the year is stated after charging:

	2006	2005
	£	£
Auditors' remuneration and expenses		
- for audit work	8,850	8,050
- for other services	3,130	2,661
Depreciation	97,598	85,000
Profit on disposal of fixed assets	-	10,281
Cost of directors' and officers' liability insurance	1,304	966
Leasing and hire purchase costs	<u>79,739</u>	<u>55,000</u>

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 20066 **Tax on profit on ordinary activities**

There is no charge to corporation tax as the charitable company has been granted charitable status by the Inland Revenue and the taxable profits of the subsidiary charitable company, ATG Enterprise Training & Consulting Limited are to be gift aided to the charitable company.

7 **Shareholders' funds**

As the charitable company is limited by guarantee and the charitable company's funds cannot be apportioned to the members under any circumstances, a reconciliation of shareholders' funds is not appropriate.

8 **Tangible fixed assets**

Group and Charitable Company.

	Leasehold property £	Plant & machinery £	Office equipment £	Total £
Cost or valuation				
At 1 August 2005	548,452	696,470	288,641	1,533,563
Additions	96,041	14,190	9,477	119,708
Disposals	-	-	-	-
At 31 July 2006	644,493	710,660	298,118	1,653,271
Depreciation				
At 1 August 2005	136,006	406,898	264,706	807,610
Charge for the year	35,147	47,480	14,971	97,598
Disposals	-	-	-	-
At 31 July 2006	171,153	454,378	279,677	905,208
Net book value				
At 31 July 2006	£473,340	£256,282	£18,441	£748,063
At 31 July 2005	£412,446	£289,572	£23,935	£725,953

The long leasehold buildings were re-valued by Clifford & Billings, Chartered Surveyors, in 1998 on the basis of open market value. The valuation has not been updated following the introduction of Financial Reporting Standard 15 as the transitional provisions of Financial Reporting Standard 15 have been applied.

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 JULY 20069 **Fixed Asset Investments**

The charitable company owns one hundred ordinary shares of £1 each, purchased at par, being the whole issued share capital of ATG Enterprise Training & Consulting Limited. The subsidiary company provides training to third parties on a commercial basis. The results of the subsidiary for the years ended 31 July 2006 and 2005 were:

	2006	2005
	£	£
Turnover (including interest receivable & sales to parent company)	449,573	360,233
Direct costs	(177,701)	(155,518)
	271,872	204,715
Administrative expenses & interest payable	(252,570)	(203,494)
Profit for the period	£19,302	£1,221

The assets and liabilities of the subsidiary company were:

	2006	2005
	£	£
Current assets	77,993	76,748
Creditors: amounts falling due within one year	(53,128)	(71,185)
	£24,865	£5,563
Represented by:		
Share capital	100	100
Profit and loss account	24,765	5,463
	£24,865	£5,563

The charitable company also holds two ordinary shares of £1 each, nil paid, being the whole issued share capital of ATG Training Limited, a dormant company.

The charitable company and group holds ordinary shares in Barclays plc. These shares have been included in the financial statements at their market value of £7,554 (2005: £Nil).

10 **Debtors**

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors less bad debt provision	75,446	100,049	42,014	59,642
Prepayments and accrued income	380,153	505,199	376,089	501,898
	455,599	605,248	418,103	561,540

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2006

11 Creditors

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade creditors	109,831	73,449	85,272	61,049
Amounts due to group undertakings	-	-	4,070	11,690
Social security and other taxes	56,387	50,757	47,029	41,486
Accruals and deferred income	499,602	564,834	480,926	515,320
	<u>£665,820</u>	<u>£689,040</u>	<u>£617,297</u>	<u>£629,545</u>

Accruals and deferred income includes £382,357 (2005: £495,072) of deferred income that arose during the year as follows:

	2006	2005
	£	£
Balance brought forward	495,072	-
Released in the period	(296,247)	-
Deferred in the period	183,532	495,072
Balance carried forward	<u>£382,357</u>	<u>£495,072</u>

12 Members' guarantee account

	2006	2005
	£	£
At 31 July 2005	3,300	3,300
Release of guarantees of former members	(630)	-
At 31 July 2006	<u>£2,670</u>	<u>£3,300</u>

13 Designated funds

	At 1 August		At 31 July
Group and charitable company	2005	Transfers	2006
	£	£	£
Building reserve	100,000	-	100,000
Capital fund	394,812	57,554	452,366
	<u>£494,812</u>	<u>£57,554</u>	<u>552,366</u>

The building reserve arose on the revaluation of the leasehold property in 1998 (see note 8). The capital fund represents the balance of the net book value of the fixed assets owned by the group, not represented by restricted funds.

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2006

14 Restricted funds

Group and charitable company

	Balance at 1 August 2005 £	Movement in resources Incoming £	Outgoing £	Transfers £	Balance at 31 July 2006 £
CoVE Engineering	23,015	318,023	(323,441)	-	17,597
	<u>£23,015</u>	<u>£318,023</u>	<u>(£323,441)</u>	<u>-</u>	<u>£17,597</u>

CoVE Engineering development award

The engineering development CoVE is a group consisting of two employers, one college and two training providers, of whom the charitable company is one. Together they have been recognised as a CoVE by a government agency which provides funding to improve the engineering training capacity in the partners' premises. The charitable company was appointed as the lead partner and acts as the partnership's banker so all funding is received and disbursed through its financial statements.

The cycle industry CoVE is one of a number of such centres that has been recognised as a CoVE by a government agency which has provided funding to improve the training capacity available to a range of industries. In this case the aim is to support the cycle industry. It is recognised that the growth of cycling will lead to a greater demand for high standards of mechanical servicing and repair. As part of this initiative the CoVE funding supports the establishment of three cycle training centres in England and the first of these will open in Manchester in late 2006.

To maintain transparency in the charitable company's financial statements CoVE income has been credited to a restricted fund and will be disbursed to account for the capital equipment's annual depreciation. The revenue income and expenditure has been accounted for under appropriate CoVE headings.

15 Analysis of net assets

Group

	Fixed assets	Investments	Other net assets/ (liabilities)	Total
Members guarantee account	-	-	2,670	2,670
Restricted funds	195,697	-	(178,100)	17,597
Unrestricted Funds				
General funds	-	7,554	1,565,212	1,572,766
Designated funds	552,366	-	-	552,366
	<u>£748,063</u>	<u>£7,554</u>	<u>£1,389,782</u>	<u>£2,145,399</u>

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2006

15 Analysis of net assets (continued)

Charitable company

	Fixed assets	Investments	Other net assets/ (liabilities)	Total
Members guarantee account	-	-	2,670	2,670
Restricted funds	195,697	-	(178,100)	17,597
Unrestricted Funds				
General funds	-	7,654	1,540,711	1,548,365
Designated funds	552,366	-	-	552,366
	<u>£748,063</u>	<u>£7,654</u>	<u>£1,365,281</u>	<u>£2,120,998</u>

16 Capital commitments

There were no capital commitments authorised or contracted at 31 July 2006 (31 July 2005 - £NIL).

17 Future financial commitments

At 31 July 2006 the group had the following annual operating lease commitments:

	2006		2005	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Leases which expire in less than one year	4,367	-	-	-
Leases which expire in two to five years	20,000	-	20,000	-
Leases which expire after more than five years	35,000	-	35,000	-
	<u>£59,367</u>	<u>£-</u>	<u>£55,000</u>	<u>£-</u>

18 Related party transactions

Sales totalling £68,613 were made to and purchases totalling £97,684 were made from the charitable company's subsidiary, ATG Enterprise Training & Consulting Limited, during the year ended 31 July 2006 (2005: £75,704 and £30,789). A net amount of £4,070 was due to the subsidiary company at the year end (2005: £11,690 due from the subsidiary company).