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Charity Number 1092902

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**ATG TRAINING (Formerly AYLESBURY
TRAINING GROUP)**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JULY 2008

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ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)

Company number 998121

Registered charity number 1092902

OFFICERS AND PROFESSIONAL ADVISERS

The Directors

J D Adams
P D Burnham
A Edwards
D Granshaw (Chairman)
I J Harper
H E Simpson
M J Tudor
M Wicks

Company secretary

S Green

Registered office

Future Centre
Smeaton Close
Aylesbury
Bucks
HP19 8SU

Auditors

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

Bankers

Lloyds TSB
1 Market Square
Aylesbury
Bucks
HP20 1TD

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)

**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008**

	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

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 July 2008

The directors have pleasure in presenting their report and the financial statements for the year ended 31 July 2008

Principal activity and business review

The principal activity of the company during the year remained the provision of training to young people and adults, particularly those working or seeking work in business administration, customer service, engineering, electrical installation, logistics, IT, bicycle maintenance and care occupations

The year has witnessed considerable change and continued success for ATG. A new Managing Director and Deputy MD were appointed on 1 January 2008, following the retirement of the previous Chief Executive. In addition, a new director of Skills and Learning was appointed on 26 March 2008 to replace the previous director who retired. The company sought to identify larger premises to consolidate its activities in Aylesbury and to provide additional capacity for expansion, it undertook a rebranding exercise to freshen its image, and it decided to rename the company ATG Training, to reflect the fact that it is increasingly operating outside of its original market of Aylesbury and the surrounding areas of Buckinghamshire.

The company's activities continue to expand. It continues to work in partnership with a wide range of organisations in initiatives such as the Centres for Vocational Excellence and in the Regional Resource Centres for Marine Technology and Aerospace. The Manchester Office has continued to grow its operations. The company remains committed to working with schools to improve the range and quality of vocational training and has recently launched one of the first new Diploma qualifications in the UK in engineering, jointly with two Buckinghamshire schools.

These developments mean that the new ATG Training is in a strong position to look to the future. The company exceeded its targets for turnover and net income, and strengthened its overall financial position. As a not-for-profit charity with no shareholders, the entire surplus generated will be held within the business to support the operation of the charity and improve facilities for learners.

ATG Enterprise Training and Consulting (ETC) is a wholly owned subsidiary of ATG Training. ETC was established to provide commercial short courses, management development and consultancy. Any profits generated through the company were designed to be gift-aided back to the parent company to support its charitable activities. However, following a review of the business it was decided that since profits were not being generated, the circumstances did not justify continued operation of the company. The directors therefore agreed to wind up the activities of the company at 31 July 2008. All assets and liabilities of ETC reverted to ATG Training on 1 August 2008. The charitable company will seek to ensure ETC is wound up in an orderly manner.

Charitable status, members and limited liability

The company continues to be registered as a charity (number 1092902) with the Charity Commission and is recognised as such by the Inland Revenue. The company is limited by guarantee with each member guaranteeing £30 in the event of the company being wound up whilst they are a member and for one year afterwards. At 31 July 2008 there were 66 members (2007: 64).

Payment Policy

The average payment period for creditors was 45 days (2007: 45 days).

ATG TRAINING (FORMERLY AYLESBURY TRAINING GROUP)

REPORT OF THE DIRECTORS - CONTINUED FOR THE YEAR ENDED 31 JULY 2008

Directors and their interests

The directors who sat on the Board and were trustees of the charity at any time during the year were

J D Adams	J P Silcock (appointed 1 August 2008)
R R Ball (Chief Executive – resigned 1 January 2008)	H E Simpson
P D Burnham	M J Tudor (appointed 1 January 2008)
A Edwards (Managing Director – appointed 1 January 2008)	C Underwood (resigned 27 May 2008)
D Granshaw (Chairman)	M Wicks
I J Harper (appointed 26 March 2008)	

The Directors meet every 2 months to receive the Managing Director's report and to consider the management accounts, as well as any reports from the Audit, Investment or Remuneration committees

In addition an Away Day is held each year to include the senior managers, during which detailed presentations are given on all operational aspects of the business and the strategy and targets for the company are reviewed

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

Investment Committee

The Board has established an Investment Committee consisting of three directors to monitor the investments of the company and to make recommendations concerning the allocations of investment funds. A conservative investment policy has been adopted to avoid financial risks, utilising cash deposits spread across four major high street banks.

Audit Committee

The Board has established an Audit Committee comprising three directors to review the risks facing the company and monitor control systems, and to make appropriate recommendations to the Board.

Remuneration Committee

The Board has established a Remuneration Committee comprising three directors to consider executive directors' performance targets and to make recommendations to the Board concerning appropriate remuneration packages. Executive directors are not permitted to participate in these decisions.

Reserves policy

The Board continues its prudent approach to the maintenance of reserves. The company draws its primary income from its government contracts to deliver training programmes and these contracts can be subject to significant change and at relatively short notice. The Board seeks 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 are £914,357 which is below this target level.

ATG TRAINING (FORMERLY AYLESBURY TRAINING GROUP)

REPORT OF THE DIRECTORS - CONTINUED FOR THE YEAR ENDED 31 JULY 2008

Restricted funds

Some of ATG Training's income is received through multi-annual projects such as the Centres for Vocational Excellence. In order to maintain transparency in financial statements, appropriate amounts of such income are credited to a restricted fund to reflect the true value of such income in any given year. Any income deferred in this way is released in subsequent years.

Designated funds

As a company which is not permitted to disburse surplus funds to shareholders, the company has established a number of designated funds in which reserves are allocated for specific purposes. Designated funds have been established for the following purposes:

- Special Educational Reserve for working with schools £500,000,
- Relocation to larger more modern premises £645,000,
- Provision of e-learning systems £125,000

Risk Review

The Board conducts regular reviews of the risks to which the company is exposed and constantly develops its systems to mitigate those risks. The reviews identify the risks which can be reasonably foreseen and measures to reduce exposure to risks are implemented where possible.

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

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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 at the end of the period and of the surplus or deficit of the company for that period.

In preparing those 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 financial statements on the going concern basis unless it is inappropriate to presume that the 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 company and enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

ATG TRAINING (FORMERLY AYLESBURY TRAINING GROUP)**REPORT OF THE DIRECTORS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2008****Auditors**

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

As far as the directors are aware, there is no relevant audit information of which the auditors are unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

21 OCT 2008

Future Centre
Smeaton Close
Aylesbury
Bucks
HP19 8SU

On behalf of the Board


D Granshaw
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATG TRAINING (Formerly AYLESBURY TRAINING GROUP) FOR THE YEAR ENDED 31 JULY 2008- CONTINUED

We have audited the consolidated financial statements of ATG Training (Formerly Aylesbury Training Group) for the year ended 31 July 2008 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 19, 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 whether, in our opinion, the Report of the Directors is consistent with the consolidated financial statements. In addition we report to you if, in our opinion, 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.

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 ATG TRAINING (Formerly AYLESBURY TRAINING GROUP) FOR THE YEAR ENDED 31 JULY 2008- 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 2008 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 Report of the Directors is consistent with the consolidated financial statements for the year ended 31 July 2008

23 October 2008

CANSDALES

Chartered Accountants & Registered Auditors

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 31 JULY 2008

	Note	Unrestricted funds	Restricted funds	2008 £	2007 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		-	-	-	1,380
External commercial training consultancy fees		292,011	-	292,011	348,655
Investment income		107,504	-	107,504	79,873
		<u>399,515</u>	<u>-</u>	<u>399,515</u>	<u>429,908</u>
<i>Incoming resources from charitable activities</i>					
Government contracts		3,805,525	9,652	3,815,177	3,925,455
Deferred from earlier/(to future) periods		78,680	212,873	291,553	(149,704)
Course fees		383,439	-	383,439	195,686
	2	<u>4,267,644</u>	<u>222,525</u>	<u>4,490,169</u>	<u>3,971,437</u>
<i>Other incoming resources</i>					
Profit on disposal of fixed assets		8,381	-	8,381	2,979
Total incoming resources		<u>4,675,540</u>	<u>222,525</u>	<u>4,898,065</u>	<u>4,404,324</u>
Resources expended					
Charitable activities		3,850,389	222,525	4,072,914	3,733,585
<i>Costs of generating funds</i>					
Direct costs of commercial training consultancy fees		323,999	-	323,999	336,613
Governance costs		58,841	-	58,841	41,665
Total resources expended	3	<u>4,233,229</u>	<u>222,525</u>	<u>4,455,754</u>	<u>4,111,863</u>
Net income for the year		442,311	-	442,311	292,461
Other recognised gains					
Gain on investment asset		(3,680)	-	(3,680)	471
Net movement in funds		<u>438,631</u>	<u>-</u>	<u>438,631</u>	<u>292,932</u>
Balance brought forward at 1 August 2007		2,391,479	44,182	2,435,661	2,142,729
Balance carried forward at 31 July 2008		<u>2,830,110</u>	<u>44,182</u>	<u>2,874,292</u>	<u>2,435,661</u>

At 31 July 2008 the activities of the wholly owned subsidiary ATG Enterprise Training & Consulting Limited were transferred to ATG Training. All activities of the charitable company ATG Training are classed as continuing.

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.

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)
**CONSOLIDATED BALANCE SHEET
AT 31 JULY 2008**

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	8		774,299		799,707
Investments	9		4,345		8,025
Current assets					
Debtors	10	439,957		526,117	
Short term investments		1,482,361		1,879,825	
Cash at bank and in hand		755,087		223,151	
		<u>2,677,405</u>		<u>2,629,093</u>	
Creditors					
Amounts falling due within one year	11	<u>(579,777)</u>		<u>(999,244)</u>	
Net current assets			2,097,628		1,629,849
Net assets			<u><u>£2,876,272</u></u>		<u><u>£2,437,581</u></u>
Reserves					
Members guarantee account	12		1,980		1,920
Restricted funds	14		44,182		44,182
Unrestricted Funds					
General funds		867,506		1,243,956	
Designated funds	13	<u>1,962,604</u>		<u>1,147,523</u>	
			2,830,110		2,391,479
			<u><u>£2,876,272</u></u>		<u><u>£2,437,581</u></u>

The consolidated financial statements were approved by the directors on 21 OCT 2008 and are signed on behalf of the Board by



D Granshaw
Chairman



A Edwards
Managing Director

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)**CHARITABLE COMPANY BALANCE SHEET
AT 31 JULY 2008**

	Note	2008		2007
		£	£	£
Fixed assets				
Tangible assets	8	774,299		799,707
Investments	9	4,445		8,125
Current assets				
Debtors	10	441,226	487,268	
Short term investments		1,482,361	1,879,825	
Cash at bank and in hand		740,995	211,137	
		<u>2,664,582</u>	<u>2,578,230</u>	
Creditors				
Amounts falling due within one year	11	<u>(492,690)</u>	<u>(922,261)</u>	
Net current assets		2,171,892		1,655,969
Net assets		<u>2,950,636</u>		<u>2,463,801</u>
Reserves				
Restricted funds	14	44,182		44,182
Unrestricted Funds				
General funds		941,870	1,270,176	
Designated funds	13	<u>1,962,604</u>	<u>1,147,523</u>	
		2,904,474		2,417,699
		<u>2,948,656</u>		<u>2,461,881</u>
Members' guarantee account	12	1,980		1,920
		<u>2,950,636</u>		<u>2,463,801</u>

The consolidated financial statements were approved by the directors on ~~21 OCT~~ 2008 and are signed on behalf of the Board by



D Granshaw
Chairman



A Edwards
Managing Director

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)
**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2008**

	2008		2007	
	£	£	£	£
Net income for the year		442,311		292,461
Add: Depreciation		125,306		112,250
Less: Interest received and similar income	(107,504)		(79,873)	
Profit on sale of fixed assets	(8,381)		(2,979)	
		<u>(115,885)</u>		<u>(82,852)</u>
Net income/(expenditure) from operating activities		451,732		321,859
Decrease/(Increase) in debtors	86,160		(70,518)	
(Decrease)/Increase in creditors	(419,467)		333,424	
		<u>(333,307)</u>		<u>262,906</u>
Net cash outflow from operating activities		118,425		584,765
Returns on investments and servicing of finance				
Interest received and similar income	107,504		79,873	
Increase/(Reduction) in members' guarantees held	60		(750)	
		<u>107,564</u>		<u>79,123</u>
Capital expenditure				
Proceeds from sales of fixed assets	23,077		2,979	
Purchase of tangible fixed assets	(114,594)		(163,894)	
		<u>(91,517)</u>		<u>(160,915)</u>
Net increase in cash and cash equivalents		<u>134,472</u>		<u>502,973</u>
Analysis of net funds				
	At 1 8 07	Change in year	At 31 7 08	
Cash at bank and in hand	223,151	531,936	755,087	
Short term investments	1,879,825	(397,464)	1,482,361	
	<u>2,102,976</u>	<u>134,472</u>	<u>2,237,448</u>	

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008

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 2008. 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 2008 for ATG Training (formerly Aylesbury Training Group) is gross income of £4,605,534 and a surplus of £490,455.

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 charitable company operates a Group Personal Pension Plan for all employees and directors. The assets of the scheme are held separately from those of the charitable company. The pension cost charge represents contributions paid to Group Personal Pension Plans in the year, and, in the prior year, to the previous defined contribution pension scheme. Until 30 June 2006, the company operated a defined contribution pension scheme for employees and directors. At that date the scheme was closed and all assets were transferred to Group Personal Pension Plans for each member.

e) Short term investments

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

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2008

1 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.

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2008
2 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
Engineering	1,597,699	9,652	1,607,351	1,578,500
Business training	992,393	-	992,393	897,145
Telecoms	-	-	-	2,694
Recruitment & marketing	800	-	800	800
Learning & skills	255,017	-	255,017	75,990
Cycle maintenance	1,172,503	212,873	1,385,376	1,055,577
IT services	249,232	-	249,232	360,731
	<u>4,267,644</u>	<u>222,525</u>	<u>4,490,169</u>	<u>3,971,437</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 2008	Total 2007
	Staff & similar costs £	Other costs £	Support costs £	Other costs £	Support costs £	£	£
Engineering	539,111	373,513	393,454	-	35,301	1,341,379	1,259,020
Business training	291,497	302,339	185,407	-	-	779,244	691,151
Telecoms	-	-	-	-	-	-	-
Recruitment & marketing	129,209	125,477	-	-	-	254,686	265,504
Learning & skills	397,296	-	-	-	-	397,296	237,871
Cycle maintenance	429,440	61,787	307,027	187,224	-	985,478	975,021
IT services	70,348	24,312	220,171	-	-	314,831	305,018
Other shared costs	-	(125,306)	125,306	-	-	-	-
	<u>1,856,902</u>	<u>762,122</u>	<u>1,231,365</u>	<u>187,224</u>	<u>35,301</u>	<u>4,072,914</u>	<u>3,733,585</u>
Commercial training consultancy fees	-	323,999	-	-	-	323,999	336,613
Governance costs	32,106	26,735	-	-	-	58,841	41,665
	<u>1,889,008</u>	<u>1,112,856</u>	<u>1,231,365</u>	<u>187,224</u>	<u>35,301</u>	<u>4,455,754</u>	<u>4,111,863</u>

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2008****4 Directors' emoluments and staff costs**

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

	2008	2007
	£	£
Remuneration	233,709	118,161
Other emoluments (pension and benefits in kind)	67,511	32,036
	<u>301,220</u>	<u>150,197</u>

R Ball and H Simpson were remunerated in accordance with the Memorandum and Articles of Association. Both were members of the defined contribution pension scheme and have now transferred their pensions to the Group Personal Pension Plan following the closure of the defined contribution scheme. A Edwards, M Tudor and I Harper are also remunerated in accordance with the Memorandum and Articles of Association and are members of the Group Personal Pension Plan.

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

Staff costs

	2008	2007
	£	£
Wages and salaries	2,349,303	2,016,278
Social security costs	192,833	182,763
Pension contributions	96,245	82,206
	<u>2,638,381</u>	<u>2,281,247</u>

The average number of employees during the year, excluding trainees and apprentices during their period of training, was 86 (2007: 79).

5 Net income for the year

Net income for the year is stated after charging

	2008	2007
	£	£
Auditors' remuneration and expenses	10,116	9,210
- for audit work		
- for other services	5,068	2,887
Depreciation	125,306	112,250
Profit on disposal of fixed assets	(8,381)	(2,979)
Cost of directors' and officers' liability insurance	1,890	1,799
Leasing and hire purchase costs	<u>102,370</u>	<u>99,648</u>

6 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 subsidiary company, ATG Enterprise Training & Consulting Limited has made no taxable profit for the year.

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2008****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 2007	665,781	812,361	339,023	1,817,165
Additions	15,152	51,632	47,810	114,594
Disposals	-	(49,286)	-	(49,286)
At 31 July 2008	680,933	814,707	386,833	1,882,473
Depreciation				
At 1 August 2007	233,675	490,915	292,868	1,017,458
Charge for the year	41,711	62,657	20,938	125,306
Disposals	-	(34,590)	-	(34,590)
At 31 July 2008	275,386	518,982	313,806	1,108,174
Net book value				
At 31 July 2008	£405,547	£295,725	£73,027	£774,299
At 31 July 2007	£473,340	£256,282	£18,441	£748,063

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.

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2008****9 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 2008 and 2007 were

	2008	2007
	£	£
Turnover	336,177	409,900
Purchases	(159,085)	(170,738)
Gross profit	177,092	239,162
Administrative expenses	(225,756)	(290,732)
(Loss)/profit for the period	(48,664)	(51,570)

	2008	2007
	£	£
Current assets	66,626	63,646
Creditors: amounts falling due within one year	(140,884)	(89,760)
	(74,258)	(26,114)

	2008	2007
	£	£
Represented by		
Share capital	100	100
Profit and loss account	(74,358)	(26,214)
	(74,258)	(26,114)

The subsidiary company ceased trading on 31 July 2008. On 1 August 2008, the assets and liabilities of the company were transferred to ATG Training.

The charitable company also holds two ordinary shares of £1 each, nil paid, being the whole issued share capital of Aylesbury Training Group Limited (formerly 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 £4,345 (2007: £8,025).

10 Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors less bad debt provision	220,224	107,660	169,255	73,210
Prepayments and accrued income	219,733	418,457	218,168	414,058
Amounts due from group undertakings	-	-	53,803	-
	<u>439,957</u>	<u>526,117</u>	<u>441,226</u>	<u>487,268</u>

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2008**
11 Creditors

	Group 2008	2007 £	Company 2008 £	2007 £
Trade creditors	132,131	178,879	119,739	145,750
Amounts due to group undertakings	-	-	-	12,777
Social security and other taxes	87,849	73,684	75,975	64,788
Accruals and deferred income	323,150	746,681	261,867	698,946
Other Creditors	36,647	-	35,109	-
	<u>579,777</u>	<u>£999,244</u>	<u>£492,690</u>	<u>£922,261</u>

Accruals and deferred income includes deferred income as follows

	2008 £	2007 £
Balance brought forward	520,657	370,947
Released in the period	(337,869)	(60,684)
Deferred in the period	46,516	210,394
Balance carried forward	<u>229,304</u>	<u>520,657</u>

12 Members' guarantee account

	2008 £	2007 £
At 31 July 2007	1,920	2,670
Release of guarantees of former members	60	(750)
At 31 July 2008	<u>1,980</u>	<u>£1,920</u>

13 Designated funds

Group and charitable company	At 1 August 2007	Transfers	At 31 July 2008
Building reserve	100,000	-	100,000
Capital fund	547,523	55,081	602,604
Special Educational Reserve	500,000	-	500,000
Move	-	635,000	635,000
E-Learning	-	125,000	125,000
	<u>1,147,523</u>	<u>815,081</u>	<u>1,962,604</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

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2008

The capital fund represents the balance of the net book value of the fixed assets owned by the company, not represented by restricted funds.

In 2007, the Board agreed to create a designated reserve of £500,000 - the Special Educational Reserve, to support a potential initiative for a possible new City Academy. Although progress on this front has been slower than anticipated, the Board has agreed that it wishes to continue to explore supporting linkages with schools, for example through the development of the new vocational Diplomas. As a consequence the Special Educational Reserve will be maintained.

In addition, during the later stages of the financial year, the Board took the decision to relocate the headquarters of the company to larger, more modern premises in Aylesbury. A suitable property was identified and plans agreed to undertake the move in August 2008, at the commencement of the next financial year. The Board has decided to establish a designated Move fund amounting to £635,000 to cover removal costs and adaptations to the new building.

Finally, the company also decided to undertake significant investment in e-learning and online assessment. This will directly benefit the learners within ATG Training (formerly Aylesbury Training Group) who will have direct access to improved learning resources and more flexible assessment procedures. It will also enable the company to improve its productivity and efficiency. A designated E-Learning fund of £125,000 has been agreed to meet these costs.

14 Restricted funds

	Balance at 31 July 2007	Movement in Incoming	resources Outgoing	Transfers	Balance at 31 July 2008
	£	£	£	£	£
CoVE awards	44,182	222,525	(222,525)	-	44,182
	44,182	222,525	(222,525)	-	44,182

CoVE awards

ATG Training (formerly Aylesbury Training Group) has benefited from two Centres of Vocational Excellence (CoVE) in engineering and cycle maintenance in recent years. These centres have received significant levels of government funding in both capital and revenue terms, and has supported the development of the cycle training centre in Manchester. The funding for the CoVE's has now come to an end. CoVE capital income received in previous years has been treated as deferred income and continues to be released to a restricted fund in the financial statements in amounts equivalent to the capital equipment's annual depreciation charge, until the equipment has been fully depreciated.

ATG TRAINING (Formerly AYLESBURY TRAINING GROUP)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2008****15 Analysis of net assets**

Group	Fixed assets	Investments	Other net assets/ (liabilities)	Total
Members guarantee account	-	-	1,980	1,980
Restricted funds	44,182	-	-	44,182
Unrestricted Funds				
General funds	27,513	4,345	835,648	867,506
Designated funds	702,604	-	1,260,000	1,962,604
	<u>£774,299</u>	<u>£4,345</u>	<u>£2,097,628</u>	<u>£2,876,272</u>

16 Capital commitments

There were capital commitments of £500,000 towards purchase of a new building, authorised but not contracted for at 31 July 2008 (31 July 2007 - £Nil) The expenditure is to be met from the Move designated fund

17 Future financial commitments

At 31 July 2008 the group had the following annual operating lease commitments

Land and Building	2008 £	2007 £
Leases which expire in less than one year	5,250	-
Leases which expire in two to five years	25,000	46,000
Leases which expire after more than five years	35,000	35,000
	<u>65,250</u>	<u>81,000</u>

18 Related party transactions

Sales totalling £31,382 were made to and purchases totalling £26,166 were made from the company's subsidiary, ATG Enterprise Training & Consulting Limited, during the year ended 31 July 2008 (2007 £89,493 & £45,245) A net amount of £53,083 was due from the subsidiary company at the year end (2007 £12,777 due to the subsidiary company) The company paid £7,050 to Copiae for human resource support, a company in which D Granshaw, a director of ATG Training, is a partner

19 Contingent Liability

Twenty three members of the charitable company have been removed from the 'Register of Members' as attempts to contact them have failed to identify current details It has therefore not been possible to return the member's guarantee paid on becoming a member These amounts were treated as donations in the financial statements for the year ended 31 July 2007 If a former member contacts the charitable company, it would be necessary to either return the member's guarantee or reinstate them as a member, with the guarantee being reccredited to the Members' guarantee account