

AYLESBURY TRAINING GROUP
CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED
31 JULY 2002



AYLESBURY TRAINING GROUP

Company number 998121

Registered charity number 1092902

OFFICERS AND PROFESSIONAL ADVISERS

The Directors R R Ball
F Brown
A W Clark
C Fletcher
D Granshaw
N Smith
G Warrington

Company secretary S Trichardt

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

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FOR THE YEAR ENDED 31 JULY 2002**

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AYLESBURY TRAINING GROUP

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2002

The directors have pleasure in presenting their report and the consolidated accounts for the year ended 31 July 2002.

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 group has had an extremely difficult year as reflected in the net expenditure incurred. Actions to return the group to a surplus are in hand.

Recognising the increasing demands of government, employers and the young people themselves, the group has changed and adapted. Youth training in previous years was extended to include information technology services, cycle maintenance, care and child care. In the last year we have embedded these activities and it has been a year of consolidation against an extremely difficult financial backdrop.

Limited liability

The company is limited by guarantee with each member guaranteeing £30 in the event of the company being wound up. The members have each deposited such sums upon becoming members and these are held by the company in reserve to cover any liability.

Members

At 31 July 2002 there were 110 members.

Charitable status

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

Directors and their interests

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

R R Ball (Chief Executive)
F Brown
A W Clark
C Fletcher

D Granshaw (Chairman)
A Harris (resigned 10 June 2002)
N Smith
G Warrington

In accordance with the Articles of Association one third of the directors are required to retire at each Annual General Meeting of the 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. None of the directors are members of the company or the subsidiary company.

AYLESBURY TRAINING GROUP

REPORT OF THE DIRECTORS - continued FOR THE YEAR ENDED 31 JULY 2002

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 established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the group should be approximately six months normal running costs. At present the free reserves, which amount to £636,923, do not reach this target level and the group is working towards achieving this.

Risk review

The Board has conducted a review of the major risks to which the group is exposed and systems have been established to mitigate those risks. In particular the Business Plan takes account of the external risk to funding, which could affect the group's ability to continue to offer its existing range of services. It considers how the group can expand its range of services as opportunities arise. 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 will be periodically reviewed to ensure that they continue to be appropriate.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the 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 accounts 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 accounts 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 company and group and enable them to ensure that the accounts comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AYLESBURY TRAINING GROUP**REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 JULY 2002****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.

On behalf of the Board

Date 27.11.02

Gatehouse Close
Aylesbury
Bucks
HP19 8DN



D Granshaw
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AYLESBURY TRAINING GROUP
FOR THE YEAR ENDED 31 JULY 2002**

We have audited the accounts on pages 5 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 and 10.

Respective responsibilities of the directors and the auditors

As described on page 2, the 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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, if the group or 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 group or 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. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

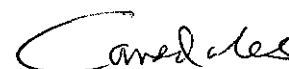
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.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

Opinion

In our opinion the accounts give a true and fair view of the group's and charitable company's state of affairs as at 31 July 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

2 December 2002

Bourbon Court, Nightingales Corner
Little Chalfont, Bucks HP7 9QS



CANSDALES
Chartered Accountants & Registered Auditors

AYLESBURY TRAINING GROUP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31 JULY 2002

	Note	2002 £	2001 £
Incoming resources			
Activities in furtherance of the charity's objects			
Government contracts		1,997,672	2,218,539
Training consultancy fees		98,148	316,655
Course fees		53,992	17,522
Activities for generating funds			
External commercial training consultancy fees	10	302,441	-
Investment income		38,281	39,423
Other income		2,713	19,703
Total incoming resources		<u>2,493,247</u>	<u>2,611,842</u>
Resources expended			
Cost of generating funds			
Direct costs of commercial training consultancy	10	305,586	-
Charitable expenditure			
Costs of activities in furtherance of the charity's objects	3	1,774,217	1,836,587
Management and administration	4	685,239	584,389
Total resources expended		<u>2,765,042</u>	<u>2,420,976</u>
Net (expenditure)/income for the year	6	(271,795)	190,866
Balance brought forward at 1 August 2001		1,510,313	1,319,447
Balance carried forward at 31 July 2002		<u>1,238,518</u>	<u>1,510,313</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 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	9		601,595		513,118
Investments	10		-		100
Current assets					
Debtors	11	144,061		323,468	
Short term investments		736,552		664,284	
Cash at bank and in hand		70,401		165,435	
		<u>951,014</u>		<u>1,153,187</u>	
Creditors					
Amounts falling due within one year	12	<u>310,791</u>		<u>152,792</u>	
Net current assets			640,223		1,000,395
Net assets			<u><u>£1,241,818</u></u>		<u><u>£1,513,613</u></u>
Reserves					
Members guarantee account	13		3,300		3,300
Unrestricted Funds					
General funds		636,923		1,410,313	
Designated funds	14	<u>601,595</u>		<u>100,000</u>	
			1,238,518		1,510,313
			<u><u>£1,241,818</u></u>		<u><u>£1,513,613</u></u>

The accounts were approved by the Directors on 27.11.02 and are signed on behalf of the Board by:


D Granshaw
Director


R R Ball
Director

AYLESBURY TRAINING GROUP

COMPANY BALANCE SHEET
AT 31 JULY 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	9		601,595		513,118
Investments	10		100		100
Current assets					
Debtors	11	173,008		323,468	
Short term investments		736,552		664,284	
Cash at bank and in hand		40,466		165,435	
		<u>950,026</u>		<u>1,153,187</u>	
Creditors					
Amounts falling due within one year	12	<u>281,485</u>		<u>152,792</u>	
Net current assets			668,541		1,000,395
Net assets			<u><u>£1,270,236</u></u>		<u><u>£1,513,613</u></u>
Reserves					
Members guarantee account	13		3,300		3,300
Unrestricted Funds					
General funds		665,341		1,410,313	
Designated funds	14	<u>601,595</u>		<u>100,000</u>	
			1,266,936		1,510,313
			<u><u>£1,270,236</u></u>		<u><u>£1,513,613</u></u>

The accounts were approved by the Directors on 27.11.02 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 2002

	2002		2001	
	£	£	£	£
Net (expenditure)/income for the year		(271,795)		190,866
Add: Depreciation	81,099		75,357	
Interest paid	-		180	
		81,099		75,537
Less: Interest received and similar income	(38,281)		(39,423)	
(Profit) on sale of fixed assets	(2,713)		(2,021)	
		(40,994)		(41,444)
Net (expenditure)/income from operating activities		(231,690)		224,959
Decrease/(increase) in debtors	179,407		(52,487)	
Increase in creditors	157,999		54,818	
		337,406		2,331
Net cash inflow from operating activities		105,716		227,290
Returns on investments and servicing of finance				
Interest received and similar income	38,281		39,423	
Interest paid	-		(180)	
		38,281		39,243
Capital expenditure				
Proceeds from sales of fixed assets	21,991		10,350	
Purchase of tangible fixed assets	(188,854)		(147,851)	
Purchase of fixed assets investments	100		(100)	
		(166,763)		(137,601)
Net (decrease)/increase in cash and cash equivalents		(22,766)		128,932
Analysis of net funds				
	At 1.8.01	Change in year	At 31.7.02	
Cash at bank and in hand	165,435	(95,034)	70,401	
Short term investments	664,284	72,268	736,552	
	829,719	(22,766)	806,953	

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

1 Accounting policies

a) Basis of preparation of the accounts

The accounts have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets. The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in October 2000 and the Companies Act 1985.

The accounts include the results of the subsidiary company, ATG Enterprise Training & Consultancy Limited for the period from incorporation on 13 February 2001 and the commencement of trading on 1 April 2001 to 31 July 2002 as this is the first period for which the subsidiary company has prepared accounts. The accounts are consolidated on a line by line basis. A separate statement of financial activities is not presented because the company has taken advantage of the provisions of paragraph 304 of the SORP and section 230 of the Companies Act 1985.

b) Depreciation

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

Long leasehold property	-	4% per annum straight line
Short leasehold property	-	33% per annum straight line
Mobile premises		10% per annum straight line
Workshop machinery	-	15% per annum straight line
Office equipment	-	20% per annum straight line
Motor vehicles	-	25% per annum straight line
Business equipment	-	50% per annum straight line
Canteen equipment	-	20% per annum straight line

c) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

d) Pension contributions

The group operates a defined contribution pension scheme for the employees and directors of all group companies, the assets of the scheme being held separately from those of the group. The pension cost charge represents contributions paid to the scheme 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 ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2002**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 have been included as income from activities in furtherance of the group's objects 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.

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 group. 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 accounts.

i) Tax status

The 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 & Consultancy Limited is subject to corporation tax.

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2002

2 Incoming resources

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

3 Charitable expenditure – costs in furtherance of the charity's objects

	Staff & similar costs	Other costs	Total 2002	Total 2001
Engineering	300,031	249,992	550,023	669,342
Business training	273,693	347,737	621,430	631,520
Telecoms	-	50,501	50,501	-
Technical	-	-	-	239,791
Health and safety (note 10)	-	-	-	60,147
Enterprise training (note 10)	-	-	-	110,294
Cycle maintenance	139,077	152,693	291,770	-
IT services	66,318	57,514	123,832	-
Other shared costs	-	136,661	136,661	125,493
	<u>£779,119</u>	<u>£995,098</u>	<u>£1,774,217</u>	<u>£1,836,587</u>

4 Management and administration costs

	2002	2001
Staff and similar costs	408,874	348,629
Establishment costs	83,849	86,581
Office and similar other costs	185,134	156,561
	<u>677,857</u>	<u>591,771</u>
Less overheads allocated to subsidiary company	7,382	(7,382)
	<u>£685,239</u>	<u>£584,389</u>

5 Directors' emoluments and staff costs

The remuneration paid to directors of the parent undertaking during the year amounted to:

	2002	2001
	£	£
Remuneration	60,000	60,080
Other emoluments (pension and benefits in kind)	16,711	14,251
	<u>£76,711</u>	<u>£74,331</u>

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 20025 **Directors' emoluments and staff costs** (continued)

The Chief Executive of the parent undertaking is remunerated in accordance with the Memorandum and Articles of Association of the parent undertaking and is a member of the defined contribution pension 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:

	2002	2001
	£	£
Wages and salaries	1,154,457	845,729
Social security costs	104,750	82,795
Pension contributions	72,618	61,255
	<u>£1,331,825</u>	<u>£989,779</u>

The average number of employees during the year, excluding trainees and apprentices during their period of training, was 53. There were 29 employees accruing benefits under the group's defined contribution pension scheme.

6 **Net (expenditure)/income for the year**

Net (expenditure)/income for the year is stated after charging:

	2002	2001
	£	£
Auditors' remuneration and expenses - for audit work	7,100	5,600
- for other services	3,420	1,750
Depreciation	81,099	75,357
(Profit)/loss on fixed assets	(2,713)	(2,021)
Cost of directors' and officers' liability insurance	840	709
Leasing and hire purchase costs	84,091	73,500

7 **Tax on profit on ordinary activities**

There is no charge to corporation tax as the company has been granted charitable status by the Inland Revenue and the subsidiary company, ATG Enterprise Training & Consultancy Limited incurred losses for tax purposes in the period under review.

8 **Shareholders' funds**

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

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 20029 **Tangible fixed assets**
Group and company

	Long leasehold property	Short leasehold property	Plant & machinery	Office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2001	373,802	19,338	448,592	250,655	1,092,387
Additions	69,238	-	92,728	26,888	188,854
Disposals	-	-	(48,596)	-	(48,596)
At 31 July 2002	443,040	19,338	492,724	277,543	1,232,645
Depreciation					
At 1 August 2001	24,712	18,051	364,755	171,751	579,269
Charge for the year	16,527	1,287	36,038	27,247	81,099
Disposals	-	-	(29,318)	-	(29,318)
At 31 July 2002	41,239	19,338	371,475	198,998	631,050
Net book value					
At 31 July 2002	£401,801	-	£121,249	£78,545	£601,595
At 31 July 2001	£349,090	£1,287	£83,837	£78,904	£513,118

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 FRS15 as the transitional provisions of FRS 15 have been applied (note 14).

10 **Fixed Asset Investments**

The 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. A summary of the trading results is as follows:

	2002 £
Turnover (including sales to parent company)	307,155
Direct costs and administrative expenses	(305,586)
	1,569
Management charge and interest to parent company	(29,987)
Loss for the period	(£28,418)

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2002

10 Fixed Asset Investments (continued)

The assets and liabilities of the subsidiary were:

	2002
	£
Current assets	58,343
Creditors: amounts falling due within one year	(86,661)
	<u>(£28,318)</u>
Represented by:	
Share capital	100
Profit and loss account	(28,418)
	<u>(£28,318)</u>

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

11 Debtors

Amounts falling due within one year:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors less bad debt provision	101,625	137,506	73,217	137,506
Prepayments and accrued income	42,436	138,515	42,436	138,515
Amounts due from group undertakings	-	47,447	57,355	47,447
	<u>£144,061</u>	<u>£323,468</u>	<u>£173,008</u>	<u>£323,468</u>

12 Creditors

Amounts falling due within one year:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade creditors	247,619	65,186	232,514	65,186
Social security and other taxes	47,783	36,557	39,332	36,557
Accruals and deferred income	15,389	51,049	9,639	51,049
	<u>£310,791</u>	<u>£152,792</u>	<u>£281,485</u>	<u>£152,792</u>

AYLESBURY TRAINING GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS - continued FOR THE YEAR ENDED 31 JULY 2002

13 Members' guarantee account

	2002	2001
	£	£
At 31 July 2000	3,300	3,300
Joining fees received during the year	-	-
At 31 July 2001	<u>£3,300</u>	<u>£3,300</u>

14 Designated funds

	At 1 August 2001	Transfers	At 31 July 2002
	£	£	£
Building reserve	100,000	-	100,000
Capital fund	-	501,595	501,595
	<u>£100,000</u>	<u>£501,595</u>	<u>£601,595</u>

The buildings reserve arose on the revaluation of the leasehold property in 1998 (see note 9). The capital fund represents the balance of the net book value of the fixed assets owned by the group.

15 Capital commitments

There were capital commitments of £31,842 authorised but not contracted at 31 July 2002 (31 July 2001 - £36,000).

16 Future financial commitments

At 31 July 2002 the group had the following annual operating lease commitments:

	2002		2001
	Land & buildings	Other	
	£	£	£
Leases which expire in two to five years	40,000	1,780	40,000
Leases which expire after more than five years	35,000	-	35,000
	<u>£75,000</u>	<u>£1,780</u>	<u>£75,000</u>

All amounts at 31 July 2001 related to land and buildings.

17 Related party transactions

During the year a motor vehicle was sold to a director, R Ball, at market value of £6,000.