

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

REGISTERED NUMBER: 1647371

REPORT AND FINANCIAL STATEMENTS
31 MARCH 1995

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WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

CHAIRMAN AND ADVISORS

CHAIRMAN

Councillor M A S Heaster

MEMBERS OF COUNCIL

Councillor V Thompson
P Jones
M McKenzie

COMPANY SECRETARY

A J Jason

REGISTERED OFFICE

Jessica House
Red Lion Square
191 Wandsworth High Street
Wandsworth
London SW18 4LS

REGISTERED CHARITY NUMBER

285251

AUDITORS

Menzies
116 Richmond Road
Kingston upon Thames
Surrey KT2 5EP

BANKERS

National Westminster Bank plc
98 Wandsworth High Street
Wandsworth
London SW18 4JZ

SOLICITORS

Bells
Eagle Chambers
16-18 Eden Street
Kingston upon Thames
Surrey KT1 1RD

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

FINANCIAL STATEMENTS

The Council of Management submit their report and the audited financial statements for the year ended 31 March 1995.

REVIEW OF ACTIVITIES

In a number of respects, this was a most difficult operating year.

Income was down both from the TEC's and the Local Authority, but we also suffered from the failure of South Thames TEC. By going into receivership, they deprived WTA of further progression payments on current contracts, and outstanding previous claims were not paid.

Nevertheless, we produced a very solid performance and achieved over 90% of our targets for the year, delivering 12,576 training weeks on TEC contracts, and 10,640 hours on Wandsworth Borough Council (WBC) contracts. WE secured 112 full NVQ's and placed 186 adults and young people into full-time employment.

Our contract performance and delivery of weeks, put us amongst the top providers with AZTEC, the local TEC.

The Agency maintained its commitment to equality of opportunity with a client mix comprising 35% people from ethnic minorities, 43% women, 52% long-term unemployed and 39% young people with special needs.

We achieved a rewarding 99% of our reduced WBC funded contract.

Also following the shift from workshop-based training, our placements went up by 20%, replacing a large amount of the previous income from TECs.

At the same time, we have been able to contain costs. Overall, expenditure was some 98% of our total budget, so that we closed the year in a neutral position.

As a result, we are please to report that even though our overall income was 20% less than in 1993/94 - and even though we had no additional fund raising activity of sponsorships during the year, and we have also had to make a bad debt provision of £10,000 following the failure of South Thames TEC - by achieving 97% of our contract targets, we maintained a sound financial position without having to call on our reserves.

WANDSWORTH TRAINING AGENCY
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REPORT OF THE COUNCIL OF MANAGEMENT

REVIEW OF ACTIVITIES (continued)

Donation to local schools

The closure of Southfields required a disposal of assets - primarily plant and machinery for workshop training - and acting in the spirit of our charitable status, we donated these, largely woodworking machinery and electronics equipment to the two remaining grant maintained schools within the Borough i.e. the Ernest Bevin School and the Chestnut Grove School.

The Board

During the year, one of our longest serving director, Councillor Diana Whittingham resigned, after the eight years on the board. The WTA takes this opportunity to recognise Councillor Whittingham's commitment to the Agency and to thank her for her contribution to its success.

FUTURE DEVELOPMENTS

Our challenge is to maintain our charitable objectives within the radically changing structure of financing personal development.

We plan to expand the elements of our business that we excel in - for example, assessment, hands-on delivery of training and job placement services - while establishing new commercial routes to enable the charity to build up its resources for increased growth and in particular, increased service to the more disadvantaged within the community

Now that changes in funding make it uneconomic for WTA to enter into YT or "Network" as it is now called, in a large way we shall be developing new ways of working with young people to maintain the quality service that we have always provided.

Indeed the future points to a greater mix of product for the Agency with an increasingly entrepreneurial approach to funding via our own activities and the activities of our commercial trading arm, and we look ahead with confidence to meeting our objectives in 1995/96 and beyond. As the lease on our Head Office came to an end in September, we did not renew it but moved to brand new offices further up the High Street.

At the AGM, Wandsworth Training Agency will change its name to Careers Development Group Limited, and its subsidiary company Wandsworth Training Services Limited will change to Step Ahead Limited. A third new company, First Act Limited will also be registered in 1995.

WANDSWORTH TRAINING AGENCY
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REPORT OF THE COUNCIL OF MANAGEMENT

MEMBERS OF THE COUNCIL OF MANAGEMENT

The Council of Management constitute directors for the purpose of the 1985 Companies Act and as required by the constitution, are members of the Association.

Councillors D Whittington, D Levy and J Bartley left the Council of Management during the year.

Councillor M A S Heaster retires by rotation, and being eligible offers himself for re-election.

DIRECTORS RESPONSIBILITIES

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

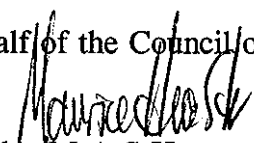
- a) Select suitable accounting policies and then apply them consistently
- b) Make judgements and estimates that are reasonable and prudent
- c) State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- d) Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

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

AUDITORS

Menzies, who were appointed during the year have expressed their willingness to continue in office as auditors, and in accordance with section 385(2) of the Companies Act 1985, a resolution proposing their reappointment will be submitted to the annual general meeting.

On behalf of the Council of Management


Councillor M A S Heaster

28 September 1995

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

REPORT OF THE AUDITORS
TO THE MEMBERS OF WANDSWORTH TRAINING AGENCY

We have audited the financial statements on pages 7 to 17, which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of the Directors and the Auditors

As described on page 4, the Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Associations circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs at 31 March 1995 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

28th September 1995

116 Richmond Road
Kingston upon Thames
Surrey KT2 5EP

Menzies

Menzies
Chartered Accountants and
Registered Auditor

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

REPORT OF THE AUDITORS
TO THE MEMBERS OF THE COUNCIL OF WANDSWORTH TRAINING AGENCY,
PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985.

We have examined the financial statements of the company and its subsidiary, for the year ended 31 March 1995.

Basis of Opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.

28th September 1995

Menzies

116 Richmond Road
Kingston upon Thames
Surrey KT2 5EP

Menzies
Chartered Accountants and
Registered Auditor

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

BALANCE SHEET
31 MARCH 1995

	Note	1995	1994
		£	£
FIXED ASSETS			
Tangible Assets	4	46,598	94,645
CURRENT ASSETS			
Debtors	6	253,888	307,023
Cash at bank and in hand		<u>120,133</u>	<u>61,572</u>
		374,021	368,595
CREDITORS: amounts falling due within one year	7	<u>189,054</u>	<u>205,740</u>
NET CURRENT ASSETS		<u>184,967</u>	<u>162,855</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		231,565	257,500
CREDITORS: amounts falling due after more than one year	8	5,910	-
ACCRUALS AND DEFERRED INCOME	10	-	<u>71,381</u>
TOTAL NET ASSETS		<u>225,655</u>	<u>186,119</u>
CAPITAL AND RESERVES			
Income and Expenditure Account	11	50,655	36,119
Contingency Reserve Account	12	<u>175,000</u>	<u>150,000</u>
		<u>225,655</u>	<u>186,119</u>

The financial statements were approved by the Council of Management on: 28 September 1995

MEMBER OF THE COUNCIL OF MANAGEMENT

Maurice Heaster
Councillor M A S Heaster

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 1995

	Note	1995 £	1994 £
INCOME			
Grants	13	865,456	1,537,023
Deferred grants		88,871	89,491
Less reserve for disputed grants		<u>-</u>	<u>(1,442)</u>
Net grants		954,327	1,625,072
Interest receivable		-	442
Fees receivable		114,249	95,672
Charitable donations received		<u>15,000</u>	<u>68,667</u>
		1,083,576	1,789,853
EXPENDITURE			
Agency fee		91,000	321,000
Staff costs	15	304,633	455,659
Depreciation		15,218	39,363
Other operating charges		<u>633,189</u>	<u>918,236</u>
		<u>1,044,040</u>	<u>1,734,258</u>
Surplus on ordinary activities	14	39,536	55,595
Transfer to contingency reserve	12	<u>(25,000)</u>	<u>(50,000)</u>
Retained surplus for the financial year	11	<u>14,536</u>	<u>5,595</u>

All amounts above are derived from continuing operations and the company has no recognised gains or losses other than the surplus for the financial years detailed above.

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

1. STATUS

The Association is limited by guarantee and has no share capital. The liability of each member is determined by the constitution of the Association and shall not exceed the sum of £1.

2. ACCOUNTING POLICIES

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Accounting convention

The financial statements have been prepared under the historical cost and in accordance with applicable Accounting Standards.

Depreciation

Depreciation has been provided for on all tangible assets at rates calculated to write off the cost, less, estimated residual value of each asset, evenly, over their anticipated useful life as follows:

Refurbishment of premises	-	100% in year of expenditure
Machinery and equipment	-	30% per annum reducing balance
Furniture and fittings	-	30% per annum reducing balance
Motor vehicles	-	25% per annum reducing balance
Computer hardware	-	40% per annum reducing balance
Computer software	-	33% per annum reducing balance

Deferred grants from sponsor

Grants received from Wandsworth Borough Council to finance capital expenditure are credited to a deferral account, and are released to revenue over the expected useful life of the relevant assets, by annual amounts to correspond with the annual depreciation thereof.

All grants are included on a receivable basis.

WANDSWORTH TRAINING AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

2. ACCOUNTING POLICIES (continued)

Income

Income tax recoverable on covenanted and investment income, is calculated on the income received up to 31 March each year.

Charitable donations and covenanted income are included in the accounts when received.

Pensions

Certain employees are in pensionable employment within the Local Government Superannuation Scheme. The Government Actuary sets the defined contribution rate, and this is reviewed every five years.

In addition, the company operates a separate defined contribution scheme with Equitable Life.

3. 1985 COMPANIES ACT

The prescribed profit and loss account formats required by schedule 4, part 1, of the 1985 Companies Act have not been adhered to in disclosing the financial results of the Association for the year ended 31 March 1995. It is the opinion of the members of the Council of Management, that strict adherence to these formats would be misleading to the membership of the Association, and prevent the financial statements from showing a true and fair view as required by Section 228(2) of the 1985 Companies Act.

In all other respects, the financial statements comply with the requirements of the 1985 Companies Act.

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

4. TANGIBLE FIXED ASSETS

	Motor vehicles £	Machinery & equipment £	Furniture & fittings £	TOTAL £
COST				
1 April 1994	16,381	159,945	74,313	250,639
Additions	21,476	752	352	22,580
Disposals	<u>(16,381)</u>	<u>(57,287)</u>	<u>(70,000)</u>	<u>(143,668)</u>
31 March 1995	<u>21,476</u>	<u>103,410</u>	<u>4,665</u>	<u>129,551</u>
DEPRECIATION				
1 April 1994	7,166	102,992	45,837	155,995
Charge for the year	2,304	11,514	1,400	15,218
Released on disposal	<u>(9,470)</u>	<u>(32,953)</u>	<u>(45,837)</u>	<u>(88,260)</u>
31 March 1995	<u>-</u>	<u>81,553</u>	<u>1,400</u>	<u>82,953</u>
NET BOOK VALUE				
31 March 1994	<u>9,215</u>	<u>56,954</u>	<u>28,476</u>	<u>94,645</u>
31 March 1995	<u>21,476</u>	<u>21,857</u>	<u>3,265</u>	<u>46,598</u>

Included above, are assets held under lease purchase agreement as follows:

	Motor Vehicles £
Net book value at 31 March 1995	<u>21,476</u>
Depreciation provided in the year	<u>2,304</u>
Accumulated depreciation to 31 March	<u>-</u>

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

5. TANGIBLE ASSET INVESTMENTS

The results of the subsidiary undertakings have not been consolidated with those of this company because the directors consider that the company is entitled to the exemption conferred by Section 248(4) of the Companies Act 1985, from the requirement to prepare group accounts.

Details of the subsidiary audited financial statements for the year ended 31 March 1995 are as follows:

Wandsworth Training Services Limited
(Incorporated in Great Britain and Limited by guarantee)

	1995 £	1994 £
Aggregate of Capital & Reserves	<u>2,321</u>	<u>2,167</u>
Profit for the year	<u>154</u>	<u>783</u>

6. DEBTORS

	1995 £	1994 £
Trade debtors	91,198	230,925
Other debtors	5,083	16,500
Prepayments	50	848
Amounts owed by group undertaking	<u>157,557</u>	<u>58,750</u>
	<u>253,888</u>	<u>307,023</u>

All amounts above are considered receivable within one year of the balance sheet date.

7. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Instalments due in respect of lease purchase	3,111	3,535
Trade creditors	25,717	84,184
Other creditors	101,043	64,258
Accruals	13,266	19,874
Social Security and other taxes	<u>45,917</u>	<u>33,889</u>
	<u>189,054</u>	<u>205,740</u>

WANDSWORTH TRAINING AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

8. CREDITORS: amounts falling due after one year

	1995	1994
	£	£
Instalments due in respect of lease purchase agreements	<u>5,910</u>	<u>-</u>

9. LEASE AND HIRE PURCHASE COMMITMENTS

The future payments to which the company is committed at 31 March 1995 under lease purchase, are as follows:

	1995	1994
	£	£
Gross obligations:		
Due within one year	3,729	4,561
Due between two and five years	<u>7,146</u>	<u>-</u>
	10,875	4,561
Less interest and finance charges	<u>(1,854)</u>	<u>(1,026)</u>
	<u>9,021</u>	<u>3,535</u>

10. ACCRUALS AND DEFERRED INCOME

	1995	1994
	£	£
Brought forward at 1 April 1994	71,381	85,222
Transfer to Income and Expenditure Account	<u>(71,381)</u>	<u>(13,841)</u>
	<u>-</u>	<u>71,381</u>

WANDSWORTH TRAINING AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

11. INCOME AND EXPENDITURE ACCOUNT

	1995	1994
	£	£
At 1 April 1994	36,119	30,524
Retained surplus for the financial year	<u>14,536</u>	<u>5,595</u>
At 31 March 1995	<u><u>50,655</u></u>	<u><u>36,119</u></u>

12. CONTINGENCY RESERVE ACCOUNT

	1995	1994
	£	£
At 1 April 1994	150,000	100,000
Transfer from Income and Expenditure Account	<u>25,000</u>	<u>50,000</u>
At 31 March 1995	<u><u>175,000</u></u>	<u><u>150,000</u></u>

13. GRANTS/FINANCIAL ASSISTANCE

YT Projects

All YT projects received grants towards their salaries and other operating expenses from AZTEC, South Thames TEC and Wandsworth Borough Council.

Training for Work Projects

Grants from AZTEC under the Training for Work operation were received towards salaries and operating costs. Wandsworth Borough Council continue to make grants towards all expenditure including capital items in the year.

WANDSWORTH TRAINING AGENCY
(Limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

13. GRANTS/FINANCIAL ASSISTANCE (continued)

A summary of the grants receivable for the year ended 31 March 1995, is as follows:

	£	£
Wandsworth Borough Council		
- Revenue	192,937	
- Expenditure	<u>2,909</u>	195,846
South Thames TEC		
- Youth Training (YT)	246,774	
- Training for Work (TFW)	<u>4,325</u>	251,099
A-Z Training and Enterprise Council (AZTEC)		
- Youth Training (YT)	113,770	
- Training for Work (TFW)	<u>304,741</u>	418,511
		<u>865,456</u>

14. OPERATING SURPLUS

The operating surplus for the year ended 31 March 1995 may be attributed to the principal activity of training.

The operating surplus is stated after charging:

	1995 £	1994 £
Auditors' remuneration	4,500	4,350
Depreciation:		
- owned assets	12,914	6,292
- assets held under lease purchase contracts	<u>2,304</u>	<u>3,071</u>

WANDSWORTH TRAINING AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

15. STAFF COSTS

	1995 £	1994 £
Wages and salaries	261,915	401,931
Social Security costs	26,461	40,697
Other pension costs	1,845	4,422
Staff recruitment costs	651	3,863
Redundancy costs	<u>13,761</u>	<u>4,746</u>
	<u>304,633</u>	<u>455,659</u>

The members of the Council of Management received no remuneration for their services to the Association during the year (1994 - nil).

The average number of employees during the year was made up as follows:

	1995 No.	1994 No.
Office and management	2	4
Instructors	<u>13</u>	<u>23</u>
	<u>15</u>	<u>27</u>

16. PENSION COMMITMENTS

During the year, the company contributed £1,830 to the Local Government Superannuation Scheme (1994 - £4,421).

No contributions were made in the year (1994 - nil), to the Equitable Life.

WANDSWORTH TRAINING AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1995

17. COMMITMENTS UNDER OPERATING LEASES

The company is committed to making the following payments under operating leases over the next twelve months:

	Land & Buildings £
Contracts to expire:	
- Within one year	10,943
- Between two to five years	67,500
- After five years	<u>8,437</u>