

**SOUTH WEST ASSOCIATION FOR  
FURTHER EDUCATION AND TRAINING**

**REPORT AND ACCOUNTS**

**Year Ended 31st March, 1997**

**Company No. 2806593**

**Charity No. 1020027**



# **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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## **DIRECTORS**

Dr. P. E. Wookey (Chairman)  
Mr. C. Brain  
Dr. A. Chitty (resigned 31.8.96)  
Mr. M. Counsell  
Mr. M. Florey  
Mr. S. W. G. Jenkin  
Cllr. Mrs. P. Rugg  
Mr. D. Wood

## **COMPANY SECRETARY AND CHIEF EXECUTIVE**

Mr. F. S. Fisher

## **AUDITORS**

Ernst & Young  
One Bridewell Street  
BRISTOL  
BS1 2AA

## **BANKERS**

National Westminster Bank plc  
49 North Street  
TAUNTON,  
Somerset  
TA1 1NB

## **SOLICITORS**

County Solicitors  
Somerset County Council  
County Hall  
TAUNTON  
Somerset  
TA1 4DY

## **REGISTERED OFFICE**

Bishops Hull House  
Bishops Hull  
TAUNTON  
Somerset  
TA1 5RA

# **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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## **DIRECTORS' REPORT FOR THE YEAR ENDING 31 MARCH 1997**

### **OBJECTIVES**

In the four years since its incorporation as a private charitable company limited by guarantee, the Association has established itself as a significant player in the education and training field in the South West - a role which it has enjoyed since the establishment of its predecessor by Ministry of Education statute exactly fifty years ago.

The philosophy of the organisation has always been rooted in supporting and enabling those responsible for the delivery of the service to work together where that made professional and economic sense. The vehicle for that objective is an increasing portfolio of networks, development programmes and associated activities which has now expanded across a whole range of interests - further and higher education, schools, training providers, local authorities, youth and community services. All of those sectors have experienced significant organisational change and budgetary constraint in recent years. It is rewarding therefore that they continue to support the Association, recognising not only the quality of its provision but its relevance and value for money.

The Association has maintained its close links with other organisations operating in the field at national and regional level. That strategy seeks to improve coherence in the programme of activity available in the South West and will continue to be pursued where it seems appropriate.

### **MEMBERSHIP**

Full membership of the Association remains open to Colleges, Local Education Authorities, Higher Education establishments and Training and Enterprise Councils in the South West region.

Subscriptions for 1996-97 were modestly increased to £220 p.a.; the total membership of sixty-four once again included all Further Education Colleges in the sector. The category of Associate Member remains a popular option with those who make significant use of the services and numbers twenty-eight, mainly drawn from schools and private training providers.

### **ACCOUNTS**

The Board of Directors has received and adopted the audited accounts for the period 1st April, 1996 - 31st March, 1997.

The income and expenditure account for the year's trading shows a small deficit of £1,234. Bearing in mind that the period saw the phasing out of a major contract with City and Guilds and the costs associated with the consequent staffing redundancies, virtually breaking even is an extremely pleasing result. The Association remains in good financial health with total net assets of £276,084.

The Board are conscious of the need to maintain financial stability for the Association and are monitoring closely income and expenditure patterns.

### **STAFF DEVELOPMENT AND NETWORKING**

The networking and staff development area has once again expanded, both in volume of activity and the numbers attending events. Networks are extremely well supported, giving the opportunity not only for an exchange of views and practices between participants but to enable senior national figures to offer advice and information on an efficient and cost effective basis. The range of staff covered is likely to increase further as the needs of organisations such as the Association of Colleges become more focussed on regional delivery. A willingness on the part of national bodies to work in partnership is evidence of the Association's credibility as a regional disseminator of nationally significant developments.

Programmes of workshops and staff development activity are now characterised by their relevance, quality and diversity. The events delivered in conjunction with awarding bodies and other professional organisations are now a regular feature, complemented by an increasing portfolio of sessions which reflect issues of current concern. As a result the conference facilities at Bishops Hull House are in use almost every day during normal term times. The seasonal nature of the programme has always been an issue for the Association; to compensate, staff are now delivering a wide range of training events on clients' premises at periods of the year when it is more difficult to run viable regional events. Coupled with an imaginative letting policy, the income deriving from the facilities at Bishops Hull House and the expertise of staff has both increased and become more consistent across the year.

### **YOUTH WORK**

The year has been particularly successful for the Regional Youth Work Adviser, demonstrated by the decision of all the new unitary authorities to subscribe to the Unit. Increasingly, collaborative action between local authorities is being developed and supported by the Unit as the natural focus. It is also pleasing that a service level agreement has been signed with the National Youth Agency for the delivery of regional services on their behalf - a more effective means of linking national bodies to the local system.

Relationships with the British Council through the Youth Exchange Committee have also strengthened. Youth exchanges continue to expand and the quality and success of the South West framework has meant an increasing use of the Association for special projects. A group of Israeli Chief Education Officers were hosted with a reciprocal visit in May 1997. The Association has secured a contract to manage the placement of twenty-three young people to work in a voluntary capacity for six to twelve months in other European countries.

Overall, developments have enabled the financial viability of the Unit to be secured which affords it excellent future prospects as an integral part of the Association's provision.

### **ASSESSMENT AND ACCREDITATION**

September 1996 saw the final transfer of the assessment and accreditation services which the Association delivered on behalf of City and Guilds, to the Awarding Body's own regional offices. An acceptable financial settlement for the outstanding contractual period to 30th September, 1997 was agreed with City and Guilds. The disappearance of the work sadly resulted in the loss of three staff, two by compulsory redundancy.

## **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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The Association still retains a small portfolio of courses for which it provides accreditation. The one year art and design foundation course operated under the auspices of the National Board for Foundation Studies in Art and Design - itself created by the regional bodies - goes from strength to strength. It is delivered by twelve centres in the region including a university, a monotechnic art college as well as further education colleges with approaching a thousand students per year being certificated. With its competitive fee and specialist moderators, the framework has demonstrated what can be achieved by co-operative working and offers a template for wider action which is being explored.

### **EUROPE**

The Association has always been cautious in its approach to the development of a European dimension to its activities. Youth exchanges are well established and a number of information seminars have been offered to explore the implications of various European funding programmes. However it became evident that the new method of allocating the European Social Fund on a regional basis in open competition between all sectors required action. Accordingly a European Co-ordinator post was established in January 1997, funded by Colleges in the region with matching support from Europe; the incumbent is already assisting Colleges with their 1997 bids and apprising them of the scoring criteria that will apply under the new regime.

### **STAFFING**

The loss of three members of a relatively small contingent of staff and the subsequent re-allocation of workloads has made 1996-97 a difficult year. Staff however have responded magnificently; there is a commitment to the Association and a confidence on the ability of the organisation to attract new business which augurs well for the future.

Signed .....  ..... Date: 29.07.97  
Chief Executive and Company Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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 of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 to enable them to ensure that the accounts 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.

## REPORT OF THE AUDITORS

to the members of the South West Association for Further Education and Training

We have audited the accounts on pages 8 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

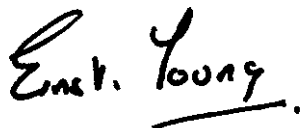
### BASIS OF OPINION

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 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 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 state of affairs of the company as at 31st March, 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Bristol

Date 29 August 1997

# SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING

## INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March 1997

	<i>Notes</i>	<i>1997</i> £	<i>1996</i> £
<b>Income</b>			
Conferences and Networks		82,403	71,894
Assessment and Accreditation Fees		170,340	286,138
Membership Fees		19,170	14,220
Subscriptions and Grants		74,100	44,500
Sales and Lettings		21,538	19,191
Interest Receivable		8,507	10,018
Study Visits		13,665	2,589
		<u>389,723</u>	<u>448,550</u>
<b>Expenditure</b>			
Conferences and Networks		28,785	27,826
Assessor and Moderator Fees and Expenses		6,069	65,379
Staff Costs	5	224,390	219,098
Office Costs		78,447	75,510
Project Expenses		5,249	
Loss on Disposal of Fixed Assets		202	11,741
Depreciation		18,947	11,620
Mortgage Interest Payments		15,343	8,794
Property Rentals		-	15,000
Study Visits		13,525	2,339
		<u>390,957</u>	<u>437,307</u>
<b>Loss(-)/Profit on Ordinary Activities Before Taxation</b>	3	(1,234)	11,243
<b>Taxation</b>	12	<u>-</u>	<u>-</u>
<b>Retained Profit on Ordinary Activities after Taxation</b>	11	<u>-</u>	<u>11,243</u>

Income and expenditure were derived from continuing operations.

The company has no recognised gains and losses other than those included in the income and expenditure account above, and therefore no separate statement of total recognised gains and losses has been presented.



# **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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## **NOTES TO THE ACCOUNTS** as at 31st March 1997

### **1. COMPANY STATUS**

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1 in the event of a winding up.

### **2. ACCOUNTING POLICIES**

#### *Accounting convention*

The accounts are prepared under the historical cost convention.

#### *Depreciation*

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

Freehold Buildings	over 30 years
Fixtures and Fittings	over 10 years
Equipment acquired before 1st April, 1994	over 10 years
Equipment acquired from 1st April 1994	over 5 years
Furniture	over 10 years

#### *Government Grants*

Government grants are credited to income so as to match them with the expenditure to which they relate.

### **3. PROFIT ON ORDINARY ACTIVITIES**

This is stated after crediting/(charging):	1997 £	1996 £
Government Grants	26,550	7,750
Auditors' Remuneration	(2,075)	(2,000)

### **4. DIRECTORS' REMUNERATION**

The directors received no remuneration.

### **5. STAFF COSTS**

	1997 £	1996 £
Wages and Salaries	197,702	191,008
Social Security Costs	13,758	14,543
Other Pension Costs	12,930	13,547
	<u>224,390</u>	<u>219,098</u>

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## NOTES TO THE ACCOUNTS as at 31st March 1997

The average weekly number of employees during the year was made up as follows (full-time equivalents):

	<i>1997</i> <i>No</i>	<i>1996</i> <i>No</i>
Management	3	3
Administration	6	7
Domestic/Garden	1	1
	<u>—</u>	<u>—</u>
	10	11
	<u>==</u>	<u>==</u>

### 6. FIXED ASSETS

	<i>Freehold Property £</i>	<i>Fixtures &amp; Fittings £</i>	<i>Furniture &amp; Equipment £</i>	<i>Total £</i>
<b>Cost</b>				
As at 1st April, 1996	237,920	50,370	21,033	309,323
Additions	-	-	17,052	17,052
Disposals	-	(489)	-	(489)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
As at 31st March, 1997	<u>237,920</u>	<u>49,881</u>	<u>38,085</u>	<u>325,886</u>
<b>Depreciation</b>				
As at 1st April, 1996	3,965	31,669	8,604	44,238
Charge for Year	7,931	4,986	6,029	18,946
Disposals	-	(287)	-	(287)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
As at 31st March, 1997	<u>11,896</u>	<u>36,368</u>	<u>14,633</u>	<u>62,897</u>
<b>Net Book Value</b>				
As at 31st March, 1997	<u>226,024</u>	<u>13,513</u>	<u>23,452</u>	<u>262,989</u>
As at 1st April, 1996	<u>233,955</u>	<u>18,701</u>	<u>12,429</u>	<u>265,085</u>

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## **NOTES TO THE ACCOUNTS** as at 31st March 1997

### **7. DEBTORS**

	<i>1997</i>	<i>1996</i>
	<i>£</i>	<i>£</i>
Trade Debtors	50,434	93,829
Other Debtors	227,723	190,403
Prepayments	4,659	1,748
	<u>282,816</u>	<u>285,980</u>

Other debtors represents amounts due from Somerset County Council. This represents the Association's cash balance.

### **8. CREDITORS: amounts falling due in less than one year**

	<i>1997</i>	<i>1996</i>
	<i>£</i>	<i>£</i>
Mortgage Account (see Note 10)	30,000	30,000
Trade Creditors	15,846	11,391
Other Taxes and Social Security	4,818	5,493
Accruals and Deferred Income	32,000	25,150
	<u>82,664</u>	<u>72,034</u>

### **9. CREDITORS: amounts falling due after more than one year**

	<i>1997</i>	<i>1996</i>
	<i>£</i>	<i>£</i>
Mortgage Account (see Note 10)	187,057	201,713
	<u>187,057</u>	<u>201,713</u>

# **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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## **NOTES TO THE ACCOUNTS** as at 31st March 1997

### **10. MORTGAGE ACCOUNT**

	<i>1997</i> £	<i>1996</i> £
Amounts Repayable (by instalments):		
- in one year or less	30,000	30,000
- between one and two years	30,000	30,000
- between two and five years	90,000	90,000
	<u>150,000</u>	<u>150,000</u>
- over five years	67,057	81,713
	<u>217,057</u>	<u>231,713</u>
Disclosed as:		
- amounts due within one year (see Note 8)	30,000	30,000
- amounts due after more than one year (see Note 9)	187,057	201,713
	<u>217,057</u>	<u>231,713</u>

The mortgage loan is secured on the freehold property and is subject to interest charges at 1% above the Bank Base Rate.

### **11. MOVEMENT ON RESERVES**

	<i>Capital Reserve</i> <i>1997</i> £	<i>Profit and Loss Account</i> <i>1997</i> £	<i>Total</i> <i>1997</i> £
As at 1st April, 1996	245,601	31,717	277,318
Deficit for Year	-	(1,234)	(1,234)
As at 31st March, 1997	<u>245,601</u>	<u>30,483</u>	<u>276,084</u>

The capital reserve represents the net equity established in the company at 1st April, 1993 on transfer of the net assets, excluding freehold property and land, from the previous, unincorporated association.

### **12. TAXATION**

Since the Association is a registered charity, the Inland Revenue has approved the exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988.

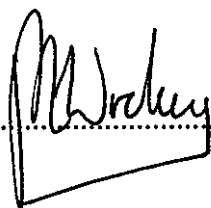
# **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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## **BALANCE SHEET as at 31st March 1997**

	<i>Notes</i>	<i>1997</i> £	<i>1996</i> £
<b>Fixed Assets</b>			
Tangible Assets	6	<u>262,989</u>	<u>265,085</u>
<b>Current Assets</b>			
Debtors	7	282,816	285,980
Less Creditors: amounts falling due within one year	8	<u>82,664</u>	<u>72,034</u>
Net Current Assets		<u>200,152</u>	<u>213,946</u>
Total Assets Less Current Liabilities		463,141	479,031
Creditors: amounts falling due after more than one year	9	<u>187,057</u>	<u>201,713</u>
Total Net Assets		<u><u>276,084</u></u>	<u><u>277,318</u></u>
<b>Capital and Reserves</b>			
Capital Reserve	11	245,601	245,601
Profit and Loss Account	11	<u>30,483</u>	<u>31,717</u>
		<u><u>276,084</u></u>	<u><u>277,318</u></u>

Signed .....



Chairman

Date: 29.07.97