

2806593

**SOUTH WEST ASSOCIATION
FOR EDUCATION
& TRAINING**
Supporting lifelong learning

**ACCOUNTS AND AUDITORS
REPORT**

2000/2001



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COMPANIES HOUSE

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18/10/01

LEGAL AND ADMINISTRATIVE DETAILS

The South West Association for Education and Training (SWAFET) was established as a Registered Charity with the Charity Commissioners on 12 October 1993 (Registration No. 1020027). SWAFET is also a Company limited by guarantee established on 2 August 1993 under the Companies Act (Company Registration No. 2806593).

Address of Charity

Bishops Hull House
Bishops Hull
TAUNTON
Somerset
TA1 5EP

Trustees and Directors

The Trustees are also the Directors for the purpose of Company Law.

John Appleton	<i>(joined 8 June 2000)</i>
David Beattie	
Gill Brain	
Rick Dearing	
Alison Scott	
Tony Smith	<i>(joined 8 June 2000)</i>
Bernard Vaughan (Chair)	
Peter Weeks	
David Wood	

Officers

Company Secretary and Chief Executive : Liz McGrath

Bankers

Caf Cash Ltd
Kings Hill
WEST MALLING
Kent
ME19 4TA

Auditors

RSM Robson Rhodes
10 Queen Square
BRISTOL
BS1 4NT

CHAIR AND CHIEF EXECUTIVE'S REPORT 2000/2001

For the third year running, we are pleased to be able to report a very positive year's activity and to introduce Accounts which reflect the success of our work.

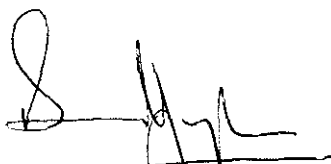
SWAFET's subscribing membership, of 70+ significant organisations in the South West [most of the eligible organisations], gives the Association regional and national credibility. The processes of communication and consultation with members have been developed through newsletters, member-seminars and meetings with the key sector groups. The Annual General Meeting was well-attended by representatives of a wide range of key organisations.

The SWAFET Board of Directors is robust and representative of members. The two co-opted members with specialist financial expertise continue to offer advice which is much appreciated. Attendance at Board meetings is high. The staff of the Association value the advice and encouragement of the Board, which oversees strategic direction, quality of provision and range of activities. Risk management has been addressed. The range and type of services which have been developed over recent years have reduced our financial risk, creating patterns of income which are more predictable and secure.

SWAFET's financial management systems are now sound. There is an annual cycle of financial planning, target setting and monitoring and detailed financial reports are presented at each Board meeting. All staff share financial responsibility and receive regular reports enabling them to assess progress against targets.

The Association's work has been recognised by Government Office, the Regional Development Agency and the FEFC/LSC, through the contracting of SWAFET to deliver activities on their behalf or in partnership. A substantial contract with the SW Youth Services has been renewed for the third time. There is a large and varied professional development programme of networks, conferences, workshops, seminars and training events.

It should be noted that SWAFET's trading figures this year, have been affected by its recent signing of a formal partnership agreement, membership of the Awarding Body Consortium. This has changed the pattern of income from Accreditation Services, which are now received in the form of a monthly Service Level Agreement, paid throughout the year, rather than registration fees received in one narrow period in February. The impact of this is a reduction of approximately £25k on this year's trading figures. This change has been taken into account in next year's budget.



Bernard Vaughan
Chair of Board of Directors



Liz McGrath
Chief Executive

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 going concern basis has been adopted.

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 Education and Training

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 4, the trustees, who are also the Directors of the Charity for the purpose of Company Law, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial 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 judgements made by the directors in the preparation of the financial statements, 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 as to whether the 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 March 2001 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.

RSM Robson Rhodes

RSM Robson Rhodes
Registered Auditor
Bristol

Date 12/9/01

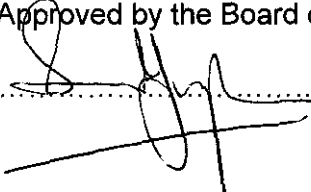
BALANCE SHEET
at 31 March 2001

	<i>Note</i>	2001 £	2000 £
Fixed Assets			
Tangible Fixed Assets	5	<u>213675</u>	<u>233355</u>
Current Assets			
Cash at Bank		97738	165343
Trade Debtors		21675	32843
Prepayments		1301	667
		<u>120714</u>	<u>198853</u>
Liabilities			
Amounts falling due within one year	6	64087	152475
Net Current Assets		<u>56627</u>	<u>46378</u>
Total Assets Less Current Liabilities		270302	279733
Liabilities			
Amounts falling due after more than one year	7	149344	158804
Net Assets		<u>120958</u>	<u>120929</u>
Capital and Reserves			
Capital Reserve	9	245601	245601
Profit and Loss Account		-124643	-124672
Net Assets		<u>120958</u>	<u>120929</u>

Note: There were no:

1. Fixed Assets Investment
2. Short Term Deposits

Approved by the Board of Directors on 12/9/01 and signed on its behalf by

 Trustee

Date 12/9/01

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2001

INCOME AND EXPENDITURE

Incoming Resources	Note	2001 £	2000 £
Conferences and Networks		136530	129308
Assessment and Accreditation Fees		36082	58370
Membership		37310	41705
Grants		79034	74293
Sales and Lettings		74750	76112
Projects		34352	25779
Investments Income		6598	7297
Study Visits			8634
Total Incoming Resources		<u>404656</u>	<u>421498</u>
Resources Expended			
Direct Charitable Expenditure	11	243890	257125
Fundraising and Publicity	12	33670	33746
Management and Administration	13	127067	112476
		<u>404627</u>	<u>403347</u>
Net Movement of Funds		29	18151
Balances brought forward as at 31/3/2000		<u>120929</u>	<u>102778</u>
Balances brought forward at 31/3/2001		<u>120958</u>	<u>120929</u>

Note: Incoming Resources and Resources Expended were derived from continuing operations.

There were no:

1. transfers between funds
2. other recognised gains and losses (other than those included in the Statement above)
3. designated funds
4. restricted funds
5. endowment funds
6. donations or legacies
7. grants made.

NOTES TO THE ACCOUNTS
as at 31 March 2001

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 1 April 1994	over 10 years
Equipment acquired from 1 April 1994	over 5 years
Computer equipment	over 3 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. DIRECTORS' REMUNERATION

The directors received no remuneration.

4. STAFF COSTS

	2001	2000
	£	£
Wages and Salaries	184402	151318
Social Security Costs	12713	10871
Pension Costs	13414	10438
	<hr/>	<hr/>
	210529	172627
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NOTES TO THE ACCOUNTS
as at 31 March 2001

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

	2001 No	2000 No
Management	2	2
Administration	7	5
Domestic/Garden	1	1
	<u>10</u>	<u>8</u>

Employees salaries in excess of £10,000 were in the following bands:

	2001 No	2000 No
£10,000-£20,000	7	6
£20,000-£30,000	1	0
£30,000-£40,000	1	2
£40,000-£50,000	1	0

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Furniture & Equipment £	Total £
Cost				
As at 1 April 2000	237920	49796	45647	333363
Additions				0
Disposals				0
As at 1 April 2001	<u>237920</u>	<u>49796</u>	<u>45647</u>	<u>333363</u>
Accumulated Depreciation				
As at 1 April 2000	35687	41607	22714	100008
Charge for Year	7930	1104	10646	19680
Disposals				0
As at 1 April 2001	<u>43617</u>	<u>42711</u>	<u>33360</u>	<u>119688</u>
Net Book Value				
As at 1 April 2001	194303	7085	12287	213675
As at 1 April 2000	<u>202233</u>	<u>8189</u>	<u>22933</u>	<u>233355</u>

The Fixed Assets are for the Charity's own use.

NOTES TO THE ACCOUNTS
as at 31 March 2001

6. **LIABILITIES: amounts falling within one year**

	<i>Note</i>	2001	2000
		£	£
Mortgage Account (see note 8)		21600	21600
Trade Creditors		6592	14052
Other Taxes and Social Security		4801	3912
Accruals and Deferred Income		3365	11567
Powerhouse Income and Expenditure held on Loan		23321	
Regional Rural Youth Project			
Income and Expenditure held on Loan		4408	
Severence Pay			17100
AoC SW Income and Expenditure held on Loan			84244
		<u>64087</u>	<u>152475</u>

7. **LIABILITIES: amounts falling due after more than one year**

Mortgage Account (see note 8)	149344	158804
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8. **MORTGAGE ACCOUNT**

Amounts Repayable (by instalments):

- in one year or less	21600	21600
- between one and two years	21600	21600
- between two and five years	64800	64800
	<u>108000</u>	<u>108000</u>
- over five years	62944	72404
	<u>170944</u>	<u>180404</u>

Disclosed as:

- amounts due within one year (see note 6)	21600	21600
- amounts due after more than one year (see note 7)	149344	158804
	<u>170944</u>	<u>180404</u>

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

NOTES TO THE ACCOUNTS
as at 31 March 2001

9. **MOVEMENT OF RESERVES**

	<i>Capital Reserve 2001</i>	<i>Profit and Loss Account 2001</i>	<i>Total 2001</i>
As at 1 April 2000	245601	-124672	120929
Surplus for Year		29	29
As at 31 March 2001	<u>245601</u>	<u>-124643</u>	<u>120958</u>

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

10. **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.

11. **DIRECT CHARITABLE EXPENDITURE**

	<i>Total 2001 £</i>	<i>Total 2000 £</i>
Salaries and Wages	145815	114335
Consultants Fees	10288	9949
Conferences and Networks	47942	49098
Assessor Fees and Expenses	1596	19590
Project Expenses	6428	12770
Loss on Disposal of Fixed Assets		3883
Depreciation	19680	27206
Mortgage Interest Payments	12141	11870
Study Visits		8424
	<u>243890</u>	<u>257125</u>

12. **FUNDRAISING AND PUBLICITY**

Letting Building	11505	18992
Publicity	22165	14754
	<u>33670</u>	<u>33746</u>

NOTES TO THE ACCOUNTS
as at 31 March 2001

13. MANAGEMENT AND ADMINISTRATION

	2001	2000
	£	£
Salaries and Wages	64713	58292
Office Costs	57554	48123
Legal and Professional Fees	593	1382
Audit Fees	3055	2771
Cost of Trustees' Meetings (inc travel expenses)	1152	1908
	<u>127067</u>	<u>112476</u>

14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

Six Trustees had their travel expenses reimbursed at a total cost of £1042.36 during 2000/01.

The cost of Trustees meetings during 2000/01 was £41.80.

15. INDEMNITY INSURANCE

The Association purchased Indemnity Insurance for its trustees at a cost of £666.75.

16. BISHOPS HULL HOUSE

A loan was taken out on Bishops Hull House in 1988 (by the Charity's predecessor) for the purchase value of £320,000 over a 30 year repayment period. The property was acquired by SWAFET during 1995 at a cost of £237920 with a remaining mortgage outstanding of 23 years. This loan can be recalled by the Bank but is considered to be a long term loan which is consistent with previous years.

17. RESERVES

SWAFET's policy is to retain in its Bank Account at least sufficient funds to enable it to meet its statutory obligations in the event of closure.

18. RELATED PARTY DISCLOSURE

No Director or member of staff have any interests in related parties or transactions undertaken with the company.