

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

**REPORT AND ACCOUNTS**

**Year Ended 31st March, 1996**

**Registered No. 2806593**



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

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## **DIRECTORS**

Dr. P. E. Wookey (Chairman)  
Mr. C. Brain  
Dr. A. Chitty  
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  
Avon  
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

## **DIRECTORS' REPORT**

The Directors' Report for the year ending 31st March 1996 covers the third year of trading of the South West Association for Further Education and Training as a private company limited by guarantee with charitable status

## **OBJECTIVES**

The Association is concerned with the advancement of the education and training of young persons and adults, principally over the South West of England. Within that broad set of objectives, the organisation has secured a reputation for quality in networking, offering professional support and facilitating co-operative action amongst providers in the sector as well as in delivering a range of services which meet identified needs. That portfolio operates under the 'not for profit' motive which underpins the Association's charitable outlook.

There are a number of other organisations, both nationally and regionally based, whose objectives overlap in part with those of the Association. The view has been taken that it is in the interests of members and constituents in the South West if the Association works in conjunction with those bodies where philosophical approaches coincide and where it is practical to do so. Accordingly relationships have been established in a variety of ways with, for example, the Further Education Funding Council, the Further Education Development Agency, the Association for Colleges, the major Awarding Bodies, the National Youth Agency, SKILL. Other avenues will be explored to ensure that the sector is offered a coherent, demand-led programme of activity on an economic and local basis.

## **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 1995/96 were pegged at their 1994/95 levels of £210 p.a.; the total membership of fifty-nine once again included all Further Education Colleges in the sector. The category of Associate Membership remains a popular option with those who make significant use of the services and numbers thirty-three, 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, 1995 - 31st March, 1996.

The Board is pleased to declare a modest trading surplus for the 1995/96 financial year of £11,243 from a turnover of £448,550 which leaves the Association with total net assets of £277,318.

This is the first set of Annual Accounts since the Association took over the ownership of Bishops Hull House in September 1995.

## **ASSESSMENT AND ACCREDITATION**

The long-standing agreement which the Association has had with City and Guilds for the delivery of a range of assessment and accreditation services is being terminated by C&G in favour of their own regional structure. As a result, there will be a phased transfer of scheme activity over the Summer of 1996 to be completed by the end of September. Negotiations are proceeding over an appropriate financial settlement to cover the outstanding notice period which runs to 30th September, 1997.

The Association has responded to the demands from Colleges in the region for external validation of a range of their internally certificated courses if FEFC funding is to be secured beyond September 1996. Whilst the South West Association does already successfully validate a group of courses which enable providers to qualify for funding, nevertheless, it was felt that it would be more appropriate, in meeting this wider need, to enter into a partnership with an organisation which had the procedures already in place. NCFE is the equivalent organisation to the Association in the North of England with a long history in the accreditation field, it has a substantial portfolio of nationally available courses which qualify for FEFC funding, almost all of which are competence based, and it has a tried and tested system for accrediting customised courses and awarding centre accreditation.

The management of the process in the South West will be handled by the Association as part of the agreement which should expand the service available to the sector and provide an exciting new development for the Association.

## **STAFF DEVELOPMENT AND NETWORKING**

The Association has for some years been held in high regard for its programme of networks, workshops, dissemination events and staff development activity. The coverage is broad and many of the long-standing groups continue to flourish. Governors' and Principals' meetings are well attended and the development of Governor workshops on specific issues is attracting an increasingly wide audience. The process is however a dynamic one and new programmes of staff development with BTEC and RSA are proving popular; GNVQ offers a rich source of activity. National associations of teachers - the British Association of Construction Heads provides an example - are successfully operating their regional events alongside the South West Association as a good model of the symbiosis that is effective.

It has become clear that in some areas there are advantages to be gained if the provision is taken to the customer; more staff can be involved and attendant travelling costs are minimised. As a result, in-house provision is becoming an important part of the Association's portfolio. National figures will continue to be invited into the South West to talk to colleagues and to hear views and opinions from the region.

## **YOUTH WORK**

Arrangements for a Regional Youth Work Adviser in the South West is now clearly established as a model of good practice. The support from County Youth Services across the region alongside the organisational framework within the Association has proved extremely effective. As a result, the four new unitary authorities have quickly signified their desire to engage with existing partners in providing mutual support and a strong voice for the South West. Youth Exchanges continue to flourish and the scope is widening. There are moves to engage more closely with the National Youth Agency


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and the unit as a whole is assuming an increasingly high profile within the service, both regionally and nationally.

### **STAFFING**

The Association continues to operate with a small, well qualified and enthusiastic staff. In September 1995, the Association achieved the award of Investors in People and continues to work at the development of all its staff who are clearly its most important asset.

Signed .....  
Chief Executive and Company Secretary

Date: 22.7.96

**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.

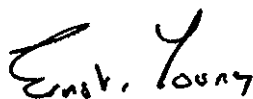
### BASIS OF OPINION

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, 1996 and of its surplus 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 8 August 1996.

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## **INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March 1996**

	<i>Notes</i>	<i>1996</i> £	<i>1995</i> £
<b>Income</b>			
Conferences and Networks		71,894	86,883
Assessment and Accreditation Fees		286,138	286,402
Membership Fees		14,220	13,120
Subscriptions and Grants		44,500	44,000
Sales and Lettings		19,191	26,216
Interest Receivable		10,018	10,948
Study Visits		2,589	-
		<u>448,550</u>	<u>467,569</u>
<b>Expenditure</b>			
Conferences and Networks		27,826	39,815
Assessor and Moderator Fees and Expenses		65,379	75,969
Staff Costs	5	219,098	215,041
Office Costs		75,510	89,413
Loss on Disposal of Fixed Assets		11,741	-
Depreciation		11,620	10,122
Mortgage Interest Payments		8,794	-
Property Rentals		15,000	27,600
Study Visits		2,339	-
		<u>437,307</u>	<u>457,960</u>
<b>Profit on Ordinary Activities Before Taxation</b>	3	11,243	9,609
<b>Taxation</b>	12	-	-
<b>Retained Profit on Ordinary Activities after Taxation</b>	11	<u>11,243</u>	<u>9,609</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.



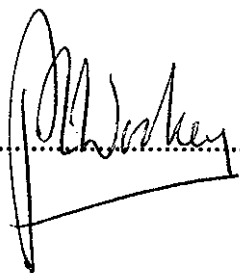
# **SOUTH WEST ASSOCIATION FOR FURTHER EDUCATION AND TRAINING**

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## **BALANCE SHEET** as at 31st March 1996

	<i>Notes</i>	<i>1996</i> £	<i>1995</i> £
<b>Fixed Assets</b>			
Tangible Assets	6	<u>265,085</u>	<u>50,526</u>
<b>Current Assets</b>			
Debtors	7	285,980	237,055
Less Creditors: amounts falling due within one year	8	<u>72,034</u>	<u>21,506</u>
Net Current Assets		<u>213,946</u>	<u>215,549</u>
Total Assets Less Current Liabilities		479,031	266,075
Creditors: amounts falling due after more than one year	9	<u>201,713</u>	<u>-</u>
Total Net Assets		<u><u>277,318</u></u>	<u><u>266,075</u></u>
 <b>Capital and Reserves</b>			
Capital Reserve	11	245,601	245,601
Profit and Loss Account	11	<u>31,717</u>	<u>20,474</u>
		<u><u>277,318</u></u>	<u><u>266,075</u></u>

Signed .....



Chairman

Date: 22.7.96.

**NOTES TO THE ACCOUNTS**  
as at 31st March 1996

**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):	1996 £	1995 £
Government Grants	7,750	7,500
Auditors' Remuneration	(2,000)	(2,430)

**4. DIRECTORS' REMUNERATION**

The directors received no remuneration.

**5. STAFF COSTS**

	1996 £	1995 £
Wages and Salaries	191,008	188,434
Social Security Costs	14,543	14,391
Other Pension Costs	13,547	12,216
	<u>219,098</u>	<u>215,041</u>

**NOTES TO THE ACCOUNTS**  
as at 31st March 1996

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

	<i>1996 No</i>	<i>1995 No</i>
Management	3	3
Administration	7	8
Domestic/Garden	1	1
	<u>11</u>	<u>12</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, 1995	-	66,074	29,999	96,073
Additions	237,920	-	-	237,920
Disposals	-	(15,704)	(8,966)	(24,670)
	<u>237,920</u>	<u>50,370</u>	<u>21,033</u>	<u>309,323</u>
As at 31st March, 1996	<u>237,920</u>	<u>50,370</u>	<u>21,033</u>	<u>309,323</u>
<b>Depreciation</b>				
As at 1st April, 1995	-	35,897	9,650	45,547
Charge for Year	3,965	5,037	2,618	11,620
Disposals	-	(9,265)	(3,664)	(12,929)
	<u>3,965</u>	<u>31,669</u>	<u>8,604</u>	<u>44,238</u>
As at 31st March, 1996	<u>3,965</u>	<u>31,669</u>	<u>8,604</u>	<u>44,238</u>
<b>Net Book Value</b>				
As at 31st March, 1996	<u>233,955</u>	<u>18,701</u>	<u>12,429</u>	<u>265,085</u>
As at 1st April, 1995	<u>-</u>	<u>30,177</u>	<u>20,349</u>	<u>50,526</u>

**NOTES TO THE ACCOUNTS**  
as at 31st March 1996

7. DEBTORS

	1996 £	1995 £
Trade Debtors	93,829	84,544
Other Debtors	190,403	150,476
Prepayments	1,748	2,035
	<u>285,980</u>	<u>237,055</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

	1996 £	1995 £
Mortgage Account (see Note 10)	30,000	-
Trade Creditors	11,391	11,740
Other Taxes and Social Security	5,493	3,666
Accruals and Deferred Income	25,150	6,100
	<u>72,034</u>	<u>21,506</u>

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

	1996 £	1995 £
Mortgage Account (see Note 10)	201,713	-
	<u>201,713</u>	<u>-</u>

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### **NOTES TO THE ACCOUNTS** as at 31st March 1996

#### **10. MORTGAGE ACCOUNT**

	<i>1996</i> £	<i>1995</i> £
Amounts Repayable (by instalments):		
- in one year or less	30,000	-
- between one and two years	30,000	-
- between two and five years	90,000	-
	<hr/>	<hr/>
- over five years	150,000	-
	81,713	-
	<hr/>	<hr/>
	231,713	-
	<hr/>	<hr/>
Disclosed as:		
- amounts due within one year (see Note 8)	30,000	-
- amounts due after more than one year (see Note 9)	201,713	-
	<hr/>	<hr/>
	231,713	-
	<hr/>	<hr/>

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

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

	<i>Capital Reserve</i> <i>1996</i> £	<i>Profit and</i> <i>Loss Account</i> <i>1996</i> £	<i>Total</i> <i>1996</i> £
As at 1st April, 1995	245,601	20,474	266,075
Surplus for Year	-	11,243	11,243
	<hr/>	<hr/>	<hr/>
As at 31st March, 1996	245,601	31,717	277,318
	<hr/>	<hr/>	<hr/>

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.