



Fforwm Services Limited

Financial Statements

for the Year Ended 31 July 2011

Company Number: 03066192
(England and Wales)

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FFORWM SERVICES LIMITED

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FOR THE YEAR ENDED 31 JULY 2011**

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FFORWM SERVICES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2011

DIRECTORS: David Jones
Mark Jones
Derek Lloyd
Mike James (Appointed 1 September 2011)
Robert Larkins (Resigned 31 August 2011)
Paul Halstead (Resigned 31 August 2010)
Bryn Davies (Resigned 25 May 2011)

SECRETARY: Julie Lewis

REGISTERED OFFICE: Unit 7, Cae Gwyrdd
Greenmeadow Springs
Tongwynlais
Cardiff
CF15 7AB

REGISTERED NUMBER: 03066192 (England and Wales)

AUDITORS: Bevan & Buckland
Chartered Accountants
And Statutory Auditors
Langdon House
Langdon Road
SA1 Swansea Waterfront
Swansea
SA1 8QY

FFORWM SERVICES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2011

The directors present their report with the financial statements of the company for the year ended 31 July 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that Fforwm Services Limited which was established in 1995 to conduct the business activities of Colleges Wales / Colegau Cymru Ltd the Charity, which is the parent company. These activities currently comprise the provision of professional training and development courses and the leasing of property and equipment and sector wide purchasing consortium for FE colleges.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company made a surplus for the year on ordinary activities of £2,417 (2010 surplus £3,087) after making a deed of covenant payment of £5,000 (2010 £1,000) to Colleges Wales / Colegau Cymru Ltd.

During the year the company's turnover decreased to £664,529 (2010 £1,053,460). This decrease can be attributed to a reduction in the use of leasing arrangements by participating educational institutions and consequently, a loss of income to the company. Three equipment leases were completed and two property leases were terminated or completed during the year.

Following the decision released on the Halifax case and the subsequent decision on Weald Leasing it is likely that the remaining equipment leasing arrangements with colleges will be terminated. The decline of income through the leasing arrangements will substantially reduce the level of surplus generated by Fforwm Services Limited in future years. In order to mitigate this, additional staff development activities are planned, these are projected to enable Fforwm Services Limited to return a small surplus in future years.

The Directors consider the overall financial performance of the company during the year to be satisfactory. The reduction in lease income was predicted and has been a key subject of discussion at Board meetings. Directors are planning to expand the scope of the professional training and development programme, with a view to generating additional income to replace the reduction in lease rentals.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2010 to the date of this report.

David Jones
Derek Lloyd

Other changes in directors holding office are as follows:

Bryn Davies - resigned 25 May 2011
Mark Jones - appointed 25 May 2011
Paul Halstead - resigned 31 August 2010

Mike James was appointed as a director after 31 July 2011 but prior to the date of this report.

Robert Larkins ceased to be a director after 31 July 2011 but prior to the date of this report.

FFORWM SERVICES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Subject to a diligent tendering process Bevan & Buckland were appointed as external auditors for a three year period from 2010/11 to 2012/13. ColegauCymru's Board of Directors formally approved their appointment on 10 November 2011.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



David Jones - Director

Date 23/3/12

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FFORWM SERVICES LIMITED

We have audited the financial statements of Fforwm Services Limited for the year ended 31 July 2011 on pages six to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

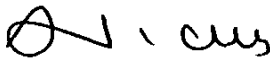
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FFORWM SERVICES LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan & Buckland
Chartered Accountants
And Statutory Auditors
Langdon House
Langdon Road
SA1 Swansea Waterfront
Swansea
SA1 8QY

Date

24/4/2012

FFORWM SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2011

	Notes	2011 £	2010 £
TURNOVER		664,529	1,053,460
Cost of sales		<u>(614,193)</u>	<u>(989,742)</u>
GROSS PROFIT		50,336	63,718
Administrative expenses		<u>(42,955)</u>	<u>(59,719)</u>
		7,381	3,999
Other operating income		<u>36</u>	<u>88</u>
OPERATING PROFIT	3	7,417	4,087
Deed of covenant		<u>(5,000)</u>	<u>(1,000)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,417	3,087
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,417</u></u>	<u><u>3,087</u></u>

The notes form part of these financial statements

FFORWM SERVICES LIMITED

**BALANCE SHEET
31 JULY 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	5	29,455	31,610
CURRENT ASSETS			
Debtors	6	173,038	184,766
Cash at bank		<u>27,083</u>	<u>21,734</u>
		200,121	206,500
CREDITORS			
Amounts falling due within one year	7	<u>213,259</u>	<u>224,210</u>
NET CURRENT LIABILITIES		<u>(13,138)</u>	<u>(17,710)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,317</u>	<u>13,900</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	<u>16,217</u>	<u>13,800</u>
SHAREHOLDERS' FUNDS		<u>16,317</u>	<u>13,900</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 19 MARCH 2012 and were signed on its behalf by

David Jones - Director

The notes form part of these financial statements

FFORWM SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 20% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Leasing commitments

The company has entered into a number of lease and lease back agreements with educational institutions

Lease income is charged to the profit and loss account on a straight line basis over the term of the lease

Lease expense under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

Pension costs and other post-retirement benefits

The Company operates a pension scheme as described in note 11 Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

The average number of Directors of the company during the year was four (2010 four) None of the Directors received any remuneration for their services to the company

The company has an average of two employees during the year (2010 three) employed on the WFEPC work The remaining work is undertaken by Colleges Wales / Colegau Cymru Limited on behalf of the Company and recharged appropriately

Analysis of staff costs

	2011	2010
	£	£
Salaries and wages	55,024	88,030
Social security costs	4,068	7,312
Pension costs	10,533	7,452
	<u>69,625</u>	<u>102,794</u>

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

3 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation - owned assets	6,983	6,068
Auditors' remuneration	<u>3,125</u>	<u>5,350</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2011 nor for the year ended 31 July 2010

5 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2010	19,539	31,020	15,299	65,858
Additions	3,754	-	1,074	4,828
Disposals	<u>(2,228)</u>	<u>-</u>	<u>(5,588)</u>	<u>(7,816)</u>
At 31 July 2011	<u>21,065</u>	<u>31,020</u>	<u>10,785</u>	<u>62,870</u>
DEPRECIATION				
At 1 August 2010	14,982	6,116	13,150	34,248
Charge for year	2,212	3,103	1,668	6,983
Eliminated on disposal	<u>(2,228)</u>	<u>-</u>	<u>(5,588)</u>	<u>(7,816)</u>
At 31 July 2011	<u>14,966</u>	<u>9,219</u>	<u>9,230</u>	<u>33,415</u>
NET BOOK VALUE				
At 31 July 2011	<u>6,099</u>	<u>21,801</u>	<u>1,555</u>	<u>29,455</u>
At 31 July 2010	<u>4,557</u>	<u>24,904</u>	<u>2,149</u>	<u>31,610</u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	74,278	70,505
Other debtors	<u>98,760</u>	<u>114,261</u>
	<u>173,038</u>	<u>184,766</u>

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	7,428	8,562
Amounts owed to group undertakings	43,095	52,861
Taxation and social security	1,365	1,600
Other creditors	<u>161,371</u>	<u>161,187</u>
	<u>213,259</u>	<u>224,210</u>

The balance of £43,095 due to Colleges Wales / Colegau Cymru Limited (parent company) was repaid after the year end

8 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2011	2010
	£	£
Expiring		
Within one year	5,127	228,060
Between one and five years	269,550	315,795
In more than five years	110,000	125,000

The company has entered into a number of lease and leaseback arrangements with education institutions. The annual rental commitments of the company under the head leases of those lease and leaseback arrangements are shown above. Under each head lease, the company is able to cancel the lease at any time subject to three months notice.

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2011	2010
Number	Class	Nominal value	£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

10 RESERVES

	Profit and loss account £
At 1 August 2010	13,800
Profit for the year	<u>2,417</u>
At 31 July 2011	<u>16,217</u>

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

11 PENSION COMMITMENTS

Under the definitions set out in Financial Reporting Standard 17 (FRS17) Retirement Benefits, the LGPS is a multi-employer pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly the company has taken advantage of the exemptions in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

12 ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Colleges Wales / Colegau Cymru Ltd, a registered charity and a company limited by guarantee incorporated in England and Wales.

13 CAPITAL COMMITMENTS

There were no capital commitments as at 31 July 2011 (2010: nil).

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

14 RELATED PARTY DISCLOSURES

Due to the nature of the company's activities and composition of its Board of Directors and that of its parents undertakings Colleges Wales / Colegau Cymru Limited (being Principals and Governors of Further Educations Colleges in Wales) it is inevitable that in the course of its normal business activities, the company will undertake transactions with those Colleges in which a member of the board of the company or its parent undertaking will have an interest

All transactions involving colleges in which a member of either Board of Directors may have an interest are conducted at arms length and in accordance with the company's normal financial procedures

The Directors of the company during the year and their relationship with the respective Colleges were

Director	College	Relationship
Robert Larkins (resigned 31 August 2011)	Coleg Glan Hafren	Principal
Derek Lloyd	Pembrokeshire College	Chair
Mark Jones (appointed 25 May 2011)	Bridgend College	Principal
David Jones	Deeside College	Principal
Mike James (appointed 1 September 2011)	Cardiff and Vale College	Principal
Bryn Davies (resigned 25 May 2011)	Ystrad Mynach College	Principal
Paul Halstead (resigned 31 August 2010)	Barry College	Principal

The Directors of the parent undertaking, Colleges Wales, during the year and their relationship with the respective Colleges were

Director	College	Relationship
Bryn Davies (resigned 25 May 2011)	Ystrad Mynach College	Principal
Peter Cope (resigned 31 August 2011)	Barry College	Chair
Derek Lloyd	Pembrokeshire College	Chair
Nick Bennett	Gower College Swansea	Principal
David Jones	Deeside College	Principal
John Bellis	Coleg Llandrillo	Chair
Mark Jones	Bridgend College	Principal
Paul Croke (resigned 31 August 2011)	Yale College	Principal
Judith Evans	Coleg Morgannwg	Principal
Dafydd Evans	Coleg Menai	Principal
Jim Bennett (appointed 26 May 2011)	Coleg Gwent	Principal
Simon Pirotte (appointed 1 September 2011)	Coleg Powys	Principal
David Mason (appointed 1 September 2011)	Merthyr Tydfil College Ltd	Chair

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

Income invoiced to Colleges during the year

	Lease rental income £	Staff develop- ment course £	Annual conference £	WFEP Subs £	WFEP Other £	Other £	Total £
Barry College	-	3,269	1,130	3,121	-	-	7,520
Bridgend College	-	3,840	940	3,452	110	-	8,342
Coleg Ceredigion	-	252	250	1,109	-	-	1,611
Coleg Glan Hafren	-	1,888	1,050	4,920	110	-	7,968
Coleg Gwent	-	4,520	720	9,304	-	534	15,078
Coleg Harlech / WEAN	-	500	250	554	-	-	1,304
Coleg Menai	76,000	2,027	1,050	3,813	-	-	82,890
Coleg Morgannwg	-	3,041	1,280	3,353	-	-	7,674
Coleg Powys	-	2,341	1,230	2,211	-	-	5,782
Coleg Sir Gar	-	3,171	950	2,542	-	-	6,663
Deeside College	-	1,979	840	5,727	-	-	8,546
Gower College Swansea	-	2,340	880	7,453	220	-	10,893
Coleg Llandrillo	-	3,557	1,340	8,250	-	-	13,147
Merthyr Tydfil College	-	506	300	1,653	-	-	2,459
Neath Port Talbot College	-	2,583	1,150	5,454	-	-	9,187
Pembrokeshire College	-	2,036	960	2,163	-	-	5,159
St David's Catholic College	-	588	600	1,538	-	-	2,726
WEA South	-	110	100	554	-	-	764
Yale College	-	3,053	1,470	5,102	-	102	9,727
YMCA	-	180	-	245	-	-	425
Ystrad Mynach College	8,141	2,288	1,060	3,811	-	-	15,300
Total	84,141	44,069	17,550	76,329	440	636	223,165

Payments to Colleges during the year

	Lease rental expenditure £	Catering Accom and Room Hire £	Other £	WFEP £	Project s £	Total £
Bridgend College	-	-	-	90	-	90
Coleg Menai	75,000	-	-	-	-	75,000
Coleg Morgannwg	-	-	-	-	305	305
Coleg Powys	-	3,901	-	259	-	4,160
Coleg Llandrillo	-	216	-	-	35	251
Yale College	-	-	70	-	-	70
Ystrad Mynach College	7,982	-	-	-	-	7,982
Total	82,982	4,117	70	349	340	87,858

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

The following amounts were receivable from Colleges at 31 July 2011

	£
Barry College	1,620
Bridgend College	1,881
Coleg Ceredigion	506
Coleg Glan Hafren	1,560
Coleg Gwent	2,541
Coleg Harlech / WEAN	852
Coleg Llandrillo	2,417
Coleg Menai	1,145
Coleg Morgannwg	(2,377)
Coleg Powys	2,038
Coleg Sir Gar	2,460
Deeside College	2,686
Gower College Swansea	2,234
Merthyr Tydfil College	814
Neath Port Talbot College	1,924
Pembrokeshire College	1,262
St David's Catholic College	1,113
WEA South	120
Yale College	5,110
Ystrad Mynach College	1,519
Total	31,428

The following amounts were payable to Colleges at 31 July 2011

	£
Coleg Powys	321
Total	321

Included in creditors is an amount of £43,095 (2010 £51,861) owed to Colleges Wales / Colegau Cymru Limited, the company's ultimate parent undertaking. During the year £33,472 of recharges were made to Colleges Wales / Colegau Cymru Limited and £62,566 recharges made by Colleges Wales / Colegau Cymru Limited.

During the year Gorseinon College and Swansea College merged on 20th August 2010 to become Gower College Swansea.

15 ULTIMATE CONTROLLING PARTY

The company's ultimate parent undertaking is Colleges Wales / Colegau Cymru Ltd, a registered Charity and a company limited by guarantee incorporated in England and Wales.