

REGISTERED NUMBER: 03066192 (England and Wales)

FFORWM SERVICES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

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

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FFORWM SERVICES LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	15

FFORWM SERVICES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2014

DIRECTORS:

Mark Jones
Mike James
Judith Evans
Barry Liles

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 2014

The directors present their report with the financial statements of the company for the year ended 31 July 2014.

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 £698 (2013:£799) after making a deed of covenant payment of £3,250 (2013: £26,675) to Colleges Wales / Colegau Cymru Ltd.

During the year the company's turnover decreased to £507,652 (2013: £545,419). 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. One property lease was terminated or completed during the prior 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.

Following a period of consultation the Board decided in April 2014 to close the WFEPG as it was considered that alternative purchasing arrangements would provide better value for money. As a result of this decision two members of staff were made redundant and the consortium closed on the 31 July 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2013 to the date of this report.

Mark Jones
Mike James

Other changes in directors holding office are as follows:

Derek Lloyd - resigned 12 May 2014

Judith Evans and Barry Liles were appointed as directors after 31 July 2014 but prior to the date of this report.

Glyn Jones OBE ceased to be a director after 31 July 2014 but prior to the date of this report.

FFORWM SERVICES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2014

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bevan & Buckland, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:


.....
Mark Jones - Director

Date: 28th April 2015

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 2014 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 Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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

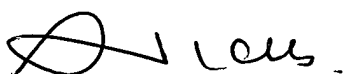
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 from the requirement to prepare a Strategic Report or 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:

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FFORWM SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2014

	Notes	2014 £	2013 £
TURNOVER		507,652	545,419
Cost of sales		(464,312)	(476,893)
GROSS PROFIT		43,340	68,526
Administrative expenses		(39,435)	(41,096)
		3,905	27,430
Other operating income		43	44
OPERATING PROFIT	3	3,948	27,474
Deed of covenant		(3,250)	(26,675)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		698	799
Tax on profit on ordinary activities	4	(666)	(779)
PROFIT FOR THE FINANCIAL YEAR		32	20

The notes form part of these financial statements

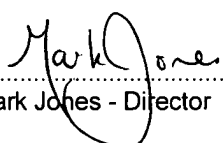
FFORWM SERVICES LIMITED (REGISTERED NUMBER: 03066192)

**BALANCE SHEET
31 JULY 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	5	14,247	18,995
CURRENT ASSETS			
Debtors	6	163,628	183,536
Cash at bank		14,859	53,722
		<u>178,487</u>	<u>237,258</u>
CREDITORS			
Amounts falling due within one year	7	<u>176,362</u>	<u>239,913</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,125</u>	<u>(2,655)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>16,372</u></u>	<u><u>16,340</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	<u>16,272</u>	<u>16,240</u>
SHAREHOLDERS' FUNDS		<u><u>16,372</u></u>	<u><u>16,340</u></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 28th April 2015 and were signed on its behalf by:


 Mark Jones - Director

FFORWM SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

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.

Frs17

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 exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

FFORWM SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2014

2. STAFF COSTS

The average number of Directors of the company during the year was four (2013: 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 (2013: two) employed on the WFEP work. The remaining work is undertaken by Colleges Wales / Colegau Cymru Limited on behalf of the Company and recharged appropriately.

Analysis of staff costs	2013 £	2013 £
Salaries and wages	60,283	59,019
Social security costs	4,790	4,433
Pension costs	14,388	15,286
Redundancy costs	10,610	-
	<u>90,071</u>	<u>78,738</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	5,283	6,807
Auditors' remuneration	<u>2,075</u>	<u>2,150</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	<u>666</u>	<u>779</u>
Tax on profit on ordinary activities	<u>666</u>	<u>779</u>

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2014**

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2013	19,624	31,020	8,895	59,539
Additions	494	41	-	535
Disposals	(1,750)	-	(1,799)	(3,549)
At 31 July 2014	18,368	31,061	7,096	56,525
DEPRECIATION				
At 1 August 2013	17,270	15,423	7,851	40,544
Charge for year	1,223	3,106	954	5,283
Eliminated on disposal	(1,750)	-	(1,799)	(3,549)
At 31 July 2014	16,743	18,529	7,006	42,278
NET BOOK VALUE				
At 31 July 2014	1,625	12,532	90	14,247
At 31 July 2013	2,354	15,597	1,044	18,995

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	66,783	120,320
Other debtors	96,845	63,216
	<u>163,628</u>	<u>183,536</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	17,748	3,190
Amounts owed to group undertakings	31,180	81,392
Taxation and social security	3,217	3,819
Other creditors	124,217	151,512
	<u>176,362</u>	<u>239,913</u>

The balance of £31,180 (2013: £81,392) due to Colleges Wales / Colegau Cymru Limited (parent company) was repaid after the year end.

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2014**

8. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
Expiring		
Within one year	-	-
Between one and five years	314,572	314,572
In more than five years	-	-

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:

Number:	Class:	Nominal value:	2014 £	2013 £
100	Ordinary	1	<u>100</u>	<u>100</u>

10. RESERVES

	Profit and loss account £
At 1 August 2013	16,240
Profit for the year	32
At 31 July 2014	<u>16,272</u>

11. PENSION COMMITMENTS

The staff of Fforwm Services Limited are employed under a joint contract of employment with Colleges Wales / Colegau Cymru Limited. The staff are paid through Colleges Wales / Colegau Cymru Limited and then the relevant costs are recharged to Fforwm Services Limited. Costs associated with the pension liability under Financial Reporting Standard 17 (FRS17) are included in the financial statements of Colleges Wales / Colegau Cymru Limited. This information is also available in the consolidated financial statements.

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 2014 (2013 : nil).

FFORWM SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2014

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
Derek Lloyd (resigned 12 May 2014)	Pembrokeshire College	Chair
Judith Evans (appointed 23 September 2014)	Coleg y Cymoedd	Principal
		Principal/Chief
Barry Liles (appointed 23 September 2014)	Coleg Sir Gar	Executive
	Gower College	Principal/Chief
Mark Jones	Swansea	Executive
Mike James	Cardiff & Vale College	Principal
Glyn Jones OBE (resigned 23 September 2014)	Grwp Llandrillo Menai	Chief Executive

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

Director	College	Relationship
Derek Lloyd (resigned 12 May 2014)	Pembrokeshire College	Chair
Mark Dacey (appointed 12 May 2014)	NPTC Group	Chief Executive
		Principal/Chief
David Jones	Coleg Cambria	Executive
	Gower College	Principal/Chief
Mark Jones	Swansea	Executive
Judith Evans	Coleg y Cymoedd	Principal
Jim Bennett	Coleg Gwent	Principal
Simon Pirotte	Bridgend College	Chief Executive
Glyn Jones OBE	Grwp Llandrillo Menai	Chief Executive
Maggi Dawson MBE (appointed 12 May 2014)	WEA Cymru	Chief Executive
	YMCA Community	
Mark Isherwood (appointed 12 May 2014)	College	Principal
Mike James (appointed 12 May 2014)	Cardiff and Vale College	Principal
		Principal/Chief
Barry Liles (appointed 12 May 2014)	Coleg Sir Gar	Executive
	St David's Catholic	
Mark Leighfield (appointed 12 May 2014)	College	Principal
Sharron Lusher (appointed 12 May 2014)	Pembrokeshire College	Principal
	The College Merthyr	
John O'Shea (appointed 12 May 2014)	Tydfil	Principal
Jacqui Weatherburn (appointed 12 May 2014)	Coleg Ceredigion	Principal
Jon Perry (resigned 10 January 2014)	Coleg Harlech WEA (N)	Chair

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2014**

Income invoiced to Colleges during the year

	Lease rental income £	Staff develop- ment course £	Annual confer- ence £	WFEP Subs £	Other £	Total £
Bridgend College	-	3,667	1,210	3,679	-	8,556
Cardiff and Vale College	-	2,753	780	8,210	-	11,743
Coleg Ceredigion	-	1,718	960	1,102	-	3,780
Coleg Gwent	-	3,440	450	10,044	-	13,934
Coleg Harlech	-	121	-	563	-	684
Coleg y Cymoedd	-	6,029	2,770	7,309	-	16,108
Coleg Sir Gar	-	4,076	1,390	2,622	-	8,088
Coleg Cambria	-	4,466	1,615	11,021	140	17,242
Gower College Swansea	-	3,147	1,320	7,585	-	12,052
Grwp Llandrillo Menai	76,000	3,618	2,354	12,352	70	94,394
Merthyr Tydfil College Ltd	-	1,364	120	2,110	-	3,594
Neath Port Talbot College	-	5,771	1,675	7,827	-	15,273
Pembrokeshire College	-	2,625	1,090	2,219	-	5,934
St David's 6th Form College	-	771	120	1,566	-	2,457
WEA South	-	632	120	563	-	1,315
YMCA	-	376	-	249	-	625
Total	76,000	44,574	15,974	79,021	210	215,779

Payments to Colleges during the year

	Lease rental expenditure £	Catering Accom and Room Hire £	Other £	WFEP £	Total £
Bridgend College	-	22	-	-	22
Coleg Cambria	-	285	-	-	285
Coleg y Cymoedd	-	1,946	-	-	1,946
Grwp Llandrillo Menai	75,000	282	-	-	75,282
Neath Port Talbot College	-	3,421	-	-	3,421
Total	75,000	5,956	-	-	80,956

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2014**

The following amounts were receivable from Colleges at 31 July 2014:

	£
Bridgend College	96
Cardiff and Vale College	12,757
Coleg Ceredigion	1,152
Coleg Gwent	5,120
Coleg y Cymoedd	2,136
Coleg Sir Gar	2,836
Coleg Cambria	648
Gower College Swansea	2,232
Grwp Llandrillo Menai	3,064
Merthyr Tydfil College Ltd	1,182
Neath Port Talbot College Group	6,875
Pembrokeshire College	1,476
Total	39,574

The following amounts were payable to Colleges at 31 July 2014:

	£
Coleg Cambria	342
Total	342

Included in creditors is an amount of £31,180 (2013: £81,392) owed to Colleges Wales / Colegau Cymru Limited, the company's ultimate parent undertaking.

During the year the company declared a Deed of Covenant payment of £3,250 (2013: £26,675) to Colegau Cymru / Colleges Wales.

15. ULTIMATE CONTROLLING PARTY

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