

FFORWM SERVICES LIMITED

is-gwmni
a subsidiary of

 Colegau Cymru
Colleges Wales

SATURDAY



AA344UW0

A05

24/04/2021

#85

COMPANIES HOUSE

Fforwm Services Limited

Financial Statements

for the Year Ended 31 July 2020

Company Number: 03066192
(England and Wales)

Colegau Cymru
Uned 7 Cae Gwyrdd
Greenmeadow Springs
Tongwynlais, Caerdydd CF15 7AB
Ff: 029 2052 2500
E: helo@colegaucymru.ac.uk
W: www.colegaucymru.ac.uk

Colleges Wales
Unit 7 Cae Gwyrdd
Greenmeadow Springs
Tongwynlais, Cardiff CF15 7AB
T: 029 2052 2500
E: hello@collegeswales.ac.uk
W: www.collegeswales.ac.uk

FFORWM SERVICES LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9
Trading and Profit and Loss Account	14

FFORWM SERVICES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2020

DIRECTORS:

Mike James
Dafydd Ifan Evans
Paul Croke
Guy Owen Lacey

REGISTERED OFFICE:

Unit 7, Cae Gwyrdd
Greenmeadow Springs
Tongwynlais
Cardiff
CF15 7AB

REGISTERED NUMBER:

03066192 (England and Wales)

AUDITORS:

Bevan Buckland LLP
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 2020

The directors present their report with the financial statements of the company for the year ended 31 July 2020.

REVIEW OF BUSINESS

Fforwm Services Limited was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of service contracts in areas relevant to the parent charity, CPD training for college staff and the wider post-16 education sector, property and equipment leasing. 2019/20 was a further year of change for the organisation with a reduction on the previous years contract service activity in Fforwm Services Ltd. The company benefitted from the release of funds linked to the former lease and leaseback scheme. The Directors are pleased with the overall performance of the company during the year as the reduction in contract activity was expected. In future the company plans to continue to participate in contracted services and utilise conference events to provide additional income whilst supporting its policy objectives.

The company made a profit for the year on ordinary activities of £23,812 (2019: £34,739). A distribution of £21,822 (2019: £36,695) has been made to Colleges Wales / Colegau Cymru Ltd.

During the year the company's turnover decreased to £78,787 (2019: £147,520). This decrease can be attributed mainly to a reduction in the contract services provided to other bodies, it should be noted that the continued reduction in contract activity for Fforwm Services Ltd. was anticipated at the start of the financial year. A decision was taken not to hold an annual conference or CPD events during the year and due to the ongoing situation with COVID 19 no events are planned in 2020/21

Limited by Guarantee

The company is limited by guarantee and as such has no shareholders. The members of the company are Wales' FE colleges and institutions.

Related Parties

Due to the nature of the organisation, its membership and the composition of the Board, it is inevitable that transactions will take place with company members. All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2019 to the date of this report.

Mike James
Dafydd Ifan Evans
Guy Owen Lacey

Other changes in directors holding office are as follows:

Paul Croke - appointed 1 August 2019

FFORWM SERVICES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2020**

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

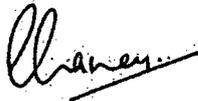
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

AUDITORS

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

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

ON BEHALF OF THE BOARD:



.....
Guy Owen Lacey - Director

Date: 12 April 2021
.....

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

Opinion

We have audited the financial statements of Fforwm Services Limited (the 'company') for the year ended 31 July 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Use of our report

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.



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

Date: 12 April 2021

FFORWM SERVICES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2020**

Notes	2020 £	2019 £
TURNOVER	78,787	147,520
Cost of sales	<u>(68,152)</u>	<u>(117,603)</u>
GROSS PROFIT	10,635	29,917
Administrative expenses	<u>(10,849)</u>	<u>(16,549)</u>
	(214)	13,368
Other operating income	<u>24,026</u>	<u>21,371</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	23,812	34,739
Tax on profit	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	23,812	34,739
Retained earnings at beginning of year	13,367	15,323
Dividends	<u>(21,822)</u>	<u>(36,695)</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>15,357</u></u>	<u><u>13,367</u></u>

The notes form part of these financial statements

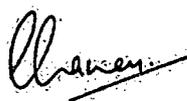
FFORWM SERVICES LIMITED (REGISTERED NUMBER: 03066192)

**BALANCE SHEET
31 JULY 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		4,834		3,526
CURRENT ASSETS					
Debtors	5	20,999		49,658	
Cash at bank		<u>102,332</u>		<u>37,571</u>	
		123,331		87,229	
CREDITORS					
Amounts falling due within one year	6	<u>112,708</u>		<u>77,288</u>	
NET CURRENT ASSETS			<u>10,623</u>		<u>9,941</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,457</u>		<u>13,467</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>15,357</u>		<u>13,367</u>
SHAREHOLDERS' FUNDS			<u>15,457</u>		<u>13,467</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 12 April 2021 and were signed on its behalf by:



.....
Guy Owen Lacey - Director

The notes form part of these financial statements

FFORWM SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. STATUTORY INFORMATION

Fforwm Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

FFORWM SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES - continued

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.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Presentational and functional currency

The presentational and functional currency is £ sterling.

Going Concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Accounting estimates and key judgements

Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

3. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	<u>1,470</u>	<u>3,776</u>

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2019	16,734	31,234	12,515	60,483
Additions	-	-	2,778	2,778
At 31 July 2020	<u>16,734</u>	<u>31,234</u>	<u>15,293</u>	<u>63,261</u>
DEPRECIATION				
At 1 August 2019	13,634	31,114	12,209	56,957
Charge for year	1,108	21	341	1,470
At 31 July 2020	<u>14,742</u>	<u>31,135</u>	<u>12,550</u>	<u>58,427</u>
NET BOOK VALUE				
At 31 July 2020	<u>1,992</u>	<u>99</u>	<u>2,743</u>	<u>4,834</u>
At 31 July 2019	<u>3,100</u>	<u>120</u>	<u>306</u>	<u>3,526</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	204	5,226
Other debtors	<u>20,795</u>	<u>44,432</u>
	<u>20,999</u>	<u>49,658</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	2,151	2,761
Amounts owed to parent company	100,519	37,972
Taxation and social security	-	842
Other creditors	<u>10,038</u>	<u>35,713</u>
	<u>112,708</u>	<u>77,288</u>

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

7. LEASING AGREEMENTS

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

	2020	2019
	£	£
Expiring		
Within one year	44,250	44,250

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.

8. CAPITAL COMMITMENTS

There were no capital commitments as at 31 July 2020 (2019 : Nil).

9. 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:

Member	Designate / Organisation	Relationship
Mike James	CEO/Principal Cardiff and Vale College	Director
Dafydd Evans (chair 1/7/18)	CEO/Principal, Grwp Llandrillo Menai	Director
Guy Lacey Owen	CEO/Principal Coleg Gwent	Director
Paul Croke (appointed 1/08/19)	Chair, Bridgend College	Director

The trustees of the parent undertaking Colleges Wales/ Colegay Cymru during the year were:

Director	College	Relationship
Guy Lacey (appointed 1/7/18)	CEO/Principal Coleg Gwent	Trustee
Dafydd Evans (chair 1/7/18)	CEO/Principal Grwp Llandrillo Menai	Trustee
Paul Croke (appointed 1/8/17)	Chair, Bridgend College	Trustee
John Clutton (appointed 1/8/17)	Chair, Coleg Cambria	Trustee
Iestyn Morris (appointed 1/8/17)	Partner, Capital Law	Trustee

FFORWM SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

Included in creditors is an amount of £100,519 (2019: £37,972) owed to Colleges Wales / Colegau Cymru Limited, the company's ultimate parent undertaking.

10. 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.