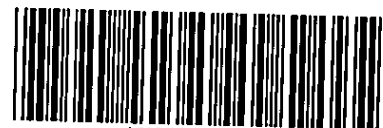


WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008

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WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
DIRECTORS' REPORT
for the year ended 31 July 2008

The directors present their report and the audited financial statements for the year ended 31 July 2008.

PRINCIPAL ACTIVITIES

Wiltshire & Somerset Colleges' Partnership Limited is a joint venture Company with charitable objects and is considered by HM Revenue and Customs as an exempt charity. The members of the Company are Wiltshire College and Somerset College of Arts and Technology.

The Company is involved in the delivery of education, training and assessment, with the majority of current turnover relating to the delivery of apprenticeships to soldiers of the Royal Corps of Signals, the Royal Armoured Corps and the Infantry.

REVIEW OF BUSINESS

Wiltshire College and Somerset College of Arts & Technology had worked together in partnership to deliver training to military clients since 1998 and it was agreed to formalise this arrangement with the establishment of a joint venture company through which all new military work would be operated. The Company was established on 28 October 2005, in order to deliver a contract awarded by the Army through competitive tender. 52 staff from the previous provider were transferred across to the Company on 1 November 2005. Following a successful first year, the Company was awarded, through a competitive process, a second major contract with the Army for the delivery of engineering apprenticeships to the Royal Armoured Corps and Infantry. This resulted in another 27 staff transferring from Wiltshire College in November 2006. In August 2007 responsibility for the delivery of a suite of management qualifications was transferred to the Company and the staff transferred into the Company. Following expansion of delivery within the existing military contracts, the current staff numbers are 112.

The Company has continued to meet commercial and performance targets set by the Army and in terms of success rates of learners are well in excess of the national benchmarks published by the Learning and Skills Council.

AUDITOR

During the year Baker Tilly UK Audit LLP resigned as auditors to the company and created a casual vacancy which the directors have filled by appointing Grant Thornton UK LLP. A resolution to appoint

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
DIRECTORS' REPORT *(continued)*
for the year ended 31 July 2008

DIRECTORS

The directors of the Company during the year and up to the date of the signature of this report were:

	Date Appointed	Date Resigned
Geoff Burgess	6 December 2005	
Chris Bishop	6 December 2005	
Norman Atkin	6 December 2005	10 December 2007
Diane Dale	21 July 2006	
Harry Griffin	24 April 2007	10 December 2007
Rachel Davies	31 August 2007	
Nick Moore	31 August 2007	
David Oxenham	3 April 2008	

SMALL COMPANIES EXEMPTION

These financial statements have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

PROFESSIONAL ADVISERS

Financial Statements Auditor: Grant Thornton UK LLP Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6FT	Bankers: Barclays Bank plc PO Box 119 Park House Newbrick Road Stoke Gifford Bristol BS34 8TN
Internal Auditor: TIAA 54-56 Gosport Business Centre Aerodrome Road Gosport Hampshire PO13 0FQ	Solicitors: Ashfords Solicitors Princess Court 23 Princess Street Plymouth PL1 2EX



.....
Elizabeth Hurst
Company Secretary

Date 11. Dec 08

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the year ended 31 July 2008

The directors are responsible for preparing the Annual Report 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). The financial statements are required by law to 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 financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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 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 financial statements comply with the requirements of 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)**

We have audited the financial statements of Wiltshire and Somerset Colleges' Partnership Limited for the year ended 31 July 2008 which comprise the profit and loss account, the balance sheet and the notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditor's report 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 significant estimates and 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 that 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of the Company's affairs at 31 July 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

Date: 11 DECEMBER 2008

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
PROFIT AND LOSS ACCOUNT
for the year ended 31 July 2008

	Notes	2008 £	2007 £
Turnover	2	6,118,825	5,866,878
Cost of sales		(2,860,230)	(2,666,385)
Gross profit		3,258,595	3,200,493
Administrative expenses		(3,201,330)	(2,927,353)
Profit on ordinary activities before taxation	3	57,265	273,140
Taxation	5	-	-
Profit on ordinary activities after taxation		57,265	273,140

The profit for the year arises from the Company's continuing operations.

There is no difference between the result on ordinary activities before taxation and the results for the year stated above, and their historical cost equivalents.

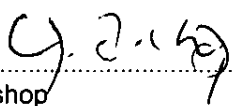
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
BALANCE SHEET
as at 31 July 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	6	222,155	142,077
Current assets			
Debtors	7	1,185,710	899,603
Cash at bank and in hand		173,836	253,437
		<u>1,359,546</u>	<u>1,153,040</u>
Creditors: amounts falling due within one year	8	(1,028,205)	(994,911)
		<u>331,341</u>	<u>158,129</u>
Net current assets			
		<u>553,496</u>	<u>300,206</u>
Total assets less current liabilities			
Creditors: amounts falling due after one year	9	(100,000)	-
Deferred capital grant	10	(97,013)	(988)
		<u>356,483</u>	<u>299,218</u>
Net assets			
		<u>356,483</u>	<u>299,218</u>
Capital and reserves			
Profit and loss account	11	356,483	299,218

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (Effective January 2005).

The financial statements were approved and authorised by the Board of Directors on 10 December 2008 and signed on its behalf by:-


Chris Bishop
Director

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover represents amounts invoiced and consists entirely of sales made in the United Kingdom. Turnover is accounted for in the period in which it is earned.

TANGIBLE FIXED ASSETS

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values on a straight-line basis over the expected useful economic lives of the assets accrued. The principal annual rates used for this purposes are:-

Equipment, fixtures and fittings - 20% straight line

Assets are depreciated from the month following the date of purchase.

LEASED ASSETS AND OBLIGATIONS

Leasing agreements, which transfer to the Company substantially all the benefits and risks of ownership of an asset (finance leases), are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases.

Lease rentals are treated as consisting of capital and interest elements and the interest is charge to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis.

GRANTS RECEIVED

Grants received for capital expenditure are credited to a deferral account and are released to revenue by equal annual amounts over the expected useful life of the asset to which they relate.

Any grants of a revenue nature are credited to income in the period to which they relate.

VALUE ADDED TAX

The Company is not registered for value added tax (VAT).

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 July 2008

2 TURNOVER

	2008 £	2007 £
Amounts receivable under training contracts	6,101,113	5,866,912
Miscellaneous income	8,928	-
Release of deferred capital grant	8,784	(34)
	<u>6,118,825</u>	<u>5,866,878</u>

3 OPERATING PROFIT

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation	50,309	31,362
Operating lease rentals – motor vehicles	20,681	5,796
External auditor's remuneration		
Audit of financial statements		
<i>Baker Tilly UK Audit LLP</i>	-	4,142
<i>Grant Thornton UK LLP</i>	4,362	-
	<u>4,362</u>	<u>4,142</u>

4 DIRECTORS AND EMPLOYEES

No directors were paid for services as trustees during the year.

The Company employed an average of 96 (2007: 95) employees throughout the year, 75 (2007: 79) of whom were involved directly with the delivery and assessment of training.

5 TAXATION

The company is considered a charity for the purposes of taxation and accordingly was not liable for any corporation tax arising out of its activities during the year.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 July 2008

6 TANGIBLE FIXED ASSETS

	Equipment fixtures and fittings £
COST	
As at 1 August 2007	193,521
Additions	130,387
	<hr/>
As at 31 July 2008	323,908
DEPRECIATION	
As at 1 August 2007	51,444
Charge for the year	50,309
	<hr/>
At 31 July 2008	101,753
NET BOOK VALUE	
As at 31 July 2007	142,077
	<hr/>
As at 31 July 2008	222,155

7 DEBTORS

	2008 £	2007 £
Trade debtors	4,908	250
Prepayments	11,291	5,339
Accrued income	1,169,511	894,014
	<hr/>	<hr/>
	1,185,710	899,603

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	78,550	73,755
Other taxes and social security	106,211	71,204
Accruals	3,492	-
Owed to beneficiaries	839,952	849,952
	<hr/>	<hr/>
	1,028,205	994,911

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 July 2008

9 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2008 £	2007 £
Owed to beneficiaries	<u>100,000</u>	<u>-</u>

10 DEFERRED CAPITAL GRANT

	£
As at 1 August 2007	988
Grants received in the year	104,809
Released to the profit and loss account	(8,784)
Deferred capital grant as at 31 July 2008	<u>97,013</u>

11 PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
As at 1 August	299,218	26,078
Profit for the year	57,265	273,140
As at 31 July	<u>356,483</u>	<u>299,218</u>

12 SHARE CAPITAL

The Company is limited by guarantee and accordingly, has no share capital.

13 FINANCIAL COMMITMENTS

As at 31 July, the Company had commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
Motor vehicles:		
Expiring within 1-2 years inclusive	16,561	-
Expiring within 2-5 years	23,280	9,936
	<u></u>	<u></u>

14 RELATED PARTY TRANSACTIONS

The Company is a joint venture arrangement that is owned equally by Somerset College of Arts and Technology and Wiltshire College.

During the year, each College provided services to the Company and received income from the Company of £1.03m (2007: £1.175m). Services provided included accounting, human resources quality control and management.

Amounts owed to the above Colleges at year end are disclosed as Amounts Owed to Beneficiaries in Notes 8 and 9.