

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 July 2011



WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
DIRECTORS' REPORT
for the year ended 31 July 2011

The directors present their report and the audited financial statements for the year ended 31 July 2011

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 & 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. The current staff numbers are 99.

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. A recent OFSTED inspection graded the delivery of Animal Care as Grade 1 (Outstanding), Engineering as Grade 2 (Good), Information & Communications Technologies as Grade 2.

The two major contracts for the Royal Corps of Signals and the Royal Armoured Corps and Infantry were renewed on 31 July 2010.

The Company holds Investors in People status and ISO 9000 Accreditation and received reaccreditation for both in October 2011.

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 2011

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	16 August 2010
Chris Bishop	6 December 2005	3 July 2011
Mike Crabbe	16 August 2010	
Diane Dale	21 July 2006	
Rachel Davies	31 August 2007	
Ray Dowd	12 April 2010	
Ian Lloyd	14 September 2011	
Nick Moore	31 August 2007	
David Oxenham	3 April 2008	14 September 2011

SMALL COMPANIES EXEMPTION

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

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 Michelmores LLP Woodwater House Pynes Hill Exeter EX2 5WR Clarke Willmott LLP Blackbrook Gate Blackbrook Park Avenue Taunton TA1 2PG



Elizabeth Hurst
Company Secretary

Date 15/12/11

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED

The directors are responsible for preparing the Directors' 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 laws

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 and 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

We have audited the financial statements of Wiltshire & Somerset Colleges' Partnership Limited for the year ended 31 July 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILTSHIRE AND SOMERSET
COLLEGES' PARTNERSHIP 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 and the directors' report in accordance with the small companies regime



JOHN GOLDING
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

19 December 2011

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
PROFIT AND LOSS ACCOUNT
for the year ended 31 July 2011

	Notes	2011 £	2010 £
Turnover	2	4,776,053	6,284,322
Cost of sales		(3,056,499)	(3,531,797)
Gross profit		1,719,554	2,752,525
Administrative expenses		(1,669,554)	(2,593,742)
Profit on ordinary activities before taxation	3	50,000	158,783
Taxation	5	-	-
Profit on ordinary activities after taxation		50,000	158,783

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 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	6	79,569	51,029
Current assets			
Debtors	7	950,445	1,213,908
Cash at bank and in hand		759,612	231,788
		<u>1,710,057</u>	<u>1,445,696</u>
Creditors: amounts falling due within one year	8	(1,032,449)	(769,973)
		<u>677,608</u>	<u>675,724</u>
Net current assets			
		<u>757,177</u>	<u>726,753</u>
Total assets less current liabilities			
Creditors amounts falling due after one year	9	(100,000)	(100,000)
Deferred capital grant	10	(33,087)	(52,663)
		<u>624,090</u>	<u>574,090</u>
Net assets			
		<u>624,090</u>	<u>574,090</u>
Capital and reserves			
Profit and loss account	11	624,090	574,090

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

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


Mike Crabbe
Chair

15 December 2011

Company Registration No 5606069

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 April 2008)

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and under the going concern basis

TURNOVER

Turnover represents income generated from the delivery of education and training. Turnover is recognised in the period in which it is earned, in line with the contractual terms associated with it

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 acquired. The annual rate used for this purpose is -

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 charged 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.

CASH FLOW STATEMENT

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 1 in not preparing a cash flow statement on the grounds that it qualifies as a small company.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2011

2 **TURNOVER**

	2011	2010
	£	£
Amounts receivable under training contracts	4,755,144	6,217,840
Miscellaneous income	1,333	4,564
Release of deferred capital grant	19,576	61,918
	<u>4,776,053</u>	<u>6,284,322</u>

3 **OPERATING PROFIT**

	2011	2010
	£	£
Operating profit is stated after charging		
Depreciation	41,930	179,156
Operating lease rentals – motor vehicles	17,789	19,817
External auditor's remuneration		
Audit of financial statements	4,336	4,037
	<u> </u>	<u> </u>

4 **DIRECTORS AND EMPLOYEES**

No directors were paid for services as trustees during the year

The Company employed an average of 100 (2010 111) employees throughout the year, 86 (2010 93) 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
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2011

6 TANGIBLE FIXED ASSETS

	Equipment, fixtures and fittings £
COST	
As at 1 August 2010	230,121
Additions	23,223
Written out in respect of disposals	(1,939)
As at 31 July 2011	<u>251,405</u>
DEPRECIATION	
As at 1 August 2010	179,092
Charge for the year	41,930
Written out in respect of disposals	(944)
Written out in respect of reclassified items	(48,242)
At 31 July 2011	<u>171,836</u>
NET BOOK VALUE	
As at 31 July 2010	<u>51,029</u>
As at 31 July 2011	<u>79,569</u>

7 DEBTORS

	2011 £	2010 £
Trade debtors	23,995	-
Prepayments	7,009	5,246
Accrued income	919,441	1,208,662
	<u>950,445</u>	<u>1,213,908</u>

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	78,555	94,601
Other taxes and social security	79,341	78,875
Accruals	9,697	62,705
Owed to beneficiaries	864,856	533,792
	<u>1,032,449</u>	<u>769,973</u>

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(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2011

9 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2011 £	2010 £
Owed to beneficiaries	<u>100,000</u>	<u>100,000</u>

10 DEFERRED CAPITAL GRANT

	£
As at 1 August 2010	52,663
Grants received in the year	-
Released to the profit and loss account	19,576
Deferred capital grant as at 31 July 2011	<u>33,087</u>

11 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
As at 1 August	574,090	415,307
Profit for the year	<u>50,000</u>	<u>158,783</u>
As at 31 July	<u>624,090</u>	<u>574,090</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

	2011 £	2010 £
Motor vehicles		
Expiring in under 1 year	296	1,794
Expiring within 1-2 years inclusive	-	4,431
Expiring within 2-5 years	<u>35,781</u>	<u>-</u>

14 RELATED PARTY TRANSACTIONS

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

During the year, each College provided services to the Company and received income from the Company of £0.7m (2010: £0.6m). 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.