

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 July 2013



The directors present their report and the audited financial statements for the year ended 31 July 2013.

PRINCIPAL ACTIVITIES

Wiltshire and 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 and 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. The staff numbers as at 31 July 2013 were 113.

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 Skills Funding Agency. A recent OFSTED inspection (February 2013) graded ICT, Engineering and Leadership & Management as Good.

The two major contracts for the Royal Corps of Signals and the Royal Armoured Corps and Infantry were renewed on 31 July 2010. In the summer of 2011, the Company was awarded a four year contract for the delivery of Apprenticeships to the Combat Infantry. In the summer of 2013, the Company was awarded a contract to Accredited Army Instructor Training.

The Company holds Investors in People status and ISO 9000 Accreditation.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors 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 the auditors are aware of that information.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
DIRECTORS' REPORT *(continued)*
for the year ended 31 July 2013

DIRECTORS

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

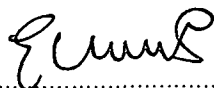
	Date Appointed	Date Resigned
Diane Dale	21 July 2006	
Rachel Davies	31 August 2007	
Ray Dowd	12 April 2010	13 October 2013
Nick Moore	31 August 2007	
Mike Crabbe	16 August 2010	
Ian Lloyd	14 September 2011	11 June 2013
Andrew Clare	22 October 2013	
Justin Olosundé	22 October 2013	

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: PricewaterhouseCoopers LLP Princess Court 23 Princess Street Plymouth PL1 2EX	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: 12 December 2013

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the year ended 31 July 2013

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 prepared 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting 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;
- 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 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILTSHIRE AND SOMERSET
COLLEGES' PARTNERSHIP LIMITED
for the year ended 31 July 2013

We have audited the financial statements of Wiltshire and Somerset Colleges' Partnership Limited for the year ended 31 July 2013 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 2013 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.

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 Directors' Report.



Heather Ancient (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Plymouth

13 December 2013

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
PROFIT AND LOSS ACCOUNT
for the year ended 31 July 2013

	Notes	2013 £	2012 £
Turnover	2	6,314,867	4,876,164
Cost of sales		(3,633,240)	(3,256,180)
Gross profit		2,681,627	1,619,984
Administrative expenses	3	(2,658,967)	(1,576,962)
Interest receivable		3,319	6,605
Profit on ordinary activities before taxation	4	25,979	49,627
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	12	25,979	49,627

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

There is no difference between the profit on ordinary activities before taxation and the profit 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 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	7	175,648	69,243
Current assets			
Debtors	8	636,536	1,240,738
Cash at bank and in hand		578,467	512,000
		<u>1,215,003</u>	<u>1,752,738</u>
Creditors: amounts falling due within one year	9	(564,377)	(1,034,754)
		<u>650,626</u>	<u>717,984</u>
Net current assets			
		<u>826,274</u>	<u>787,228</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	10	(100,000)	(100,000)
Deferred capital grant	11	(26,578)	(13,511)
		<u>699,696</u>	<u>673,717</u>
Net assets			
		<u>699,696</u>	<u>673,717</u>
Capital and reserves			
Profit and loss account	12	699,696	673,717

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 on 12 December 2013 and signed on its behalf by:


.....
Nick Moore
Chair

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 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 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.

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2013

2 TURNOVER

	2013 £	2012 £
Amounts receivable under training contracts	6,264,907	4,846,818
Miscellaneous income	30,400	9,770
Release of deferred capital grant	19,560	19,576
	<u>6,314,867</u>	<u>4,876,164</u>

3 ADMINISTRATIVE EXPENSES

Administrative expenses include amounts paid and owed to beneficiaries as set out in note 15.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	43,842	41,663
Operating lease rentals – motor vehicles	21,213	17,789
External auditors' remuneration		
Audit of financial statements	3,840	4,336
	<u> </u>	<u> </u>

5 DIRECTORS AND EMPLOYEES

No directors were paid for their services during the year.

The Company employed a monthly average of 119 (2012: 101) employees throughout the year, 93 (2012: 87) of which were involved directly with the delivery and assessment of training.

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

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
For the year ended 31 July 2013

7 TANGIBLE FIXED ASSETS

	Equipment, fixtures and fittings £
COST	
As at 1 August 2012	282,742
Additions	150,247
Disposals	-
As at 31 July 2013	<u>432,989</u>
ACCUMULATED DEPRECIATION	
As at 1 August 2012	213,499
Charge for the year	43,842
Eliminated in respect of disposals	-
As at 31 July 2013	<u>257,341</u>
NET BOOK VALUE	
As at 31 July 2012	<u>69,243</u>
As at 31 July 2013	<u>175,648</u>

8 DEBTORS

	2013 £	2012 £
Trade debtors	14,414	-
Cycle to Work Scheme	710	631
Prepayments	-	3,564
Accrued income	621,412	1,236,543
	<u>636,536</u>	<u>1,240,738</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	155,012	116,833
Taxation and social security	94,753	89,259
Owed to beneficiaries	301,416	796,816
Accruals	13,196	31,846
	<u>564,377</u>	<u>1,034,754</u>

WILTSHIRE AND SOMERSET COLLEGES' PARTNERSHIP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2013

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Owed to beneficiaries	<u>100,000</u>	<u>100,000</u>

11 DEFERRED CAPITAL GRANT

	£
As at 1 August 2012	13,511
Grants received in the year	32,627
Released to the profit and loss account in year	(19,560)
	<u>26,578</u>
Deferred capital grant as at 31 July 2013	<u>26,578</u>

12 PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
As at 1 August 2012	673,717	624,090
Profit for the year	25,979	49,627
	<u>699,696</u>	<u>673,717</u>
As at 31 July 2013	<u>699,696</u>	<u>673,717</u>

13 SHARE CAPITAL

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

14 FINANCIAL COMMITMENTS

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

	2013 £	2012 £
Motor vehicles:		
Expiring in under 1 year	4,158	-
Expiring within 5 years	18,840	27,598
	<u>18,840</u>	<u>27,598</u>

15 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 received a lump sum amount from the Company of £0.6m (2012: £0.14m) in recognition of the contribution that the colleges make to the educational direction of the Company.

Amounts owed to the above colleges at year end are disclosed as Amounts Owed to Beneficiaries in Notes 9 and 10. The beneficiaries are exempt charities under the Further and Higher Education Act 1992.