

Registered number: 05606069

THE COLLEGES' PARTNERSHIP LIMITED

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019



THE COLLEGES' PARTNERSHIP LIMITED

(A Company Limited by Guarantee)

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THE COLLEGES' PARTNERSHIP LIMITED

(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	A J Burnside A Ford M J Tudor A A Berry
Company secretary	A Ford
Registered number	05606069
Registered office	C/O Wiltshire College Cocklebury Road Chippenham Wiltshire SN15 3QD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR
Bankers	Barclays Bank plc PO Box 119 Park House, Newbrick Road Stoke Gifford Bristol BS34 8TN
Solicitors	Shakespeare Martineau LLP No 1 Colmore Square Birmingham B4 6AA

THE COLLEGES' PARTNERSHIP LIMITED

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2019

The directors present the Strategic Report of The Colleges' Partnership Limited (the "Company") for the year ended 31 July 2019.

Principal activities

The Company, specialises in the delivery of apprenticeships to the armed forces, across the UK and overseas. It is an established and well-respected training provider, specialising in the provision of vocational training solutions, apprenticeship management solutions and professional learning and development opportunities. The Company recognises that every division of the armed forces is different, and learning and training programmes are specifically tailored to their business objectives, with training being delivered in their workplace.

Review of the business

Year 2018-2019 has been a highly eventful year for The Colleges' Partnership, with the acquisition of the AAC contract in August 2018 and the loss of two contracts; The Defence Medical Service and the Intelligence Corps in July 2019. Despite this turbulent time the Company has continued to perform well. In 2018-2019 our existing contracts have continued to produce good achievement levels. For the Royal Signals and the Combat Infantry, outcomes continue to be above national and Army averages. The new contract has presented greater challenges and outcomes are below national average and that of Minimum Level Performance (MLP) for the Army. This has resulted in an unwavering focus on performance and the initiation of several strategies to combat the identified issues. This has been conducted in consultation and communication with the authority.

Contract monitoring is robust and Apprentice caseloads and achievements are effectively monitored resulting in effective controls for learners reaching and exceeding their planned end dates. To enable local management of apprenticeship progress we maintain a spotlight on the development of staff, furnishing them with the knowledge and skills to address any issues as they arise.

Apprenticeship starts fell in 2017-2018 across most areas as a result of a decline in Army recruitment and the planned Army 2020 efficiency drive. Towards the end of 2018-2019 we have started to see this trend reverse. New apprenticeship starts were at 2,973 learners, which is an increase of 45 on the previous year's total of 2,928 bringing levels nearer to those seen in 2016-2017 of 3,095.

The Company continued to make good progress in the development of new standards for both the Network Engineer Level 4 and Public Service Operational Delivery Level 2, the latter having been implemented in January 2019, as a 12 month programme. The first End Point Assessment should be completed in the January/February 2020.

In 2018/2019, the Company has also continued to develop its EPAO role continuing with advancement of the Network Engineer Level 4, Infrastructure Technician Level 3, Public Services Operational Delivery Officer Level 3, Cyber Intrusion Analyst Level 4, Unified Communications Technologist Level 3, Business Administration Level 3 and IT Technical Sales Level 3 standards. This enabled the Company to offer an EPA service commercially and TCP conducted its first EPA activity for Infrastructure Technician. This resulted in 7 End Point Assessments being conducted for a private employer. We expect this to be a growth area in 2019/20 as learners on the new Standards reach their Gateway.

The Company has had a changeable staffing network throughout the latter part of the year following the departure of the Executive Director and the interim fulfilment of this role. We have also established two further interim management roles to maintain stability and maximise efficiency. Managers have maintained tight controls on pay costs and this is reflected in the financial statements. The range of military, management and educational backgrounds of the management team promotes a well-balanced, relevant and strategic approach to the delivery and development of the qualifications.

The quality of teaching and learning is very good and continues to develop its use of interactive software and multimedia. There has been continuous development of: the Virtual Learning Environment (VLE) enabling learners access to materials and resources wherever they are posted; the use of e-portfolio continues to expand and strategies utilising IRIS Connect reflections have come to fruition, establishing a culture of self-reflection and peer observation to improve TLA practice.

THE COLLEGES' PARTNERSHIP LIMITED

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

A fully embedded and qualified team of Observation of Teaching, Learning and Assessment (OTLA) experts has driven up the standards of teaching through insightful coaching and development techniques.

Staffing structures on all Contracts are regularly reviewed to ensure that they meet employer and learner needs and enables a responsive approach to Unit relocations and learner deployments. The Army Instructors Training Accreditation (AITA) which closed in August 2017 with a lengthy delay in retendering decision by the Army has successfully been transferred back to the Army. The Company now seeks further opportunities for the delivery of Teacher Training and Coaching and mentoring both within the Defence sector and also commercially as the Company has the expertise and partnership links with awarding organisations which are firmly established. Small amounts of this commercial delivery have been completed in 2018-2019 demonstrating the viability of Professional qualifications as a business opportunity.

Operationally, this year has seen good performance across all areas for the Company's Apprenticeship work. The Combat Infantryman Apprenticeship (CIA) contract has continued to significantly improve its performance in all measures of achievement. The Royal Signals contract has also maintained its high success rates which are significantly above national averages. Following Self-Assessment by the authority, 2018-2019 saw all areas for TCP work being graded as Good in the new Education Inspection Framework (EIF).

Achievement rates

Programme	Overall Achievement Rates			Timely Achievement Rates		
	2017	2018	2019	2017	2018	2019
Royal Signals ICT	91%	93%	89%	88%	89%	85%
Royal Signals Electricians	100%	100%	100%	96%	97%	96%
Royal Signals Logistics	98%	97%	82%	69%	78%	76%
Infantry Signals	88%	89%	89%	78%	85%	85%
Combat Infantry	84%	85%	82%	76%	82%	81%
Defence Medics	87%	92%	92%	55%	81%	81%
Intelligence Corps	89%	95%	95%	N/A	95%	95%
AAC Groundcrew	N/A	N/A	15%	N/A	N/A	11%
AAC Telecoms	N/A	N/A	40%	N/A	N/A	30%

Financial Resources

The Statement of Comprehensive Income for the year ended 31st July 2019 is set out on page 10. In summary, the Company achieved a total comprehensive income of £25,000 in 2019 (2018: £25,000), based on a turnover of £5.57m (2018: £6.04m). Turnover decreased in 2018/19 as a result of the reduction in learner numbers as a result of poor Army recruitment and the differences in funding levels aligned to the introduction of some apprenticeship standards. The Company continues to tender for new MOD contracts and endeavours to secure increased commercial opportunity. At 31 July 2019, the Company had net assets of £763,000 (2018: £738,000).

THE COLLEGES' PARTNERSHIP LIMITED

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Principal risks and uncertainties

Recontracting Risk

The Company continues to tender for new contracts, both from the MoD and with other public service organisations which require similar training skillsets. In 2018-2019 TCP completed a contract for the NHS to deliver Coaching and Mentoring level 5. Two contracts terminated at the end of 2019. A third contract will be up for renewal in 2020, terminating on 31st July 2020. The Company will be preparing to submit a bid to retain this contract as well as bidding for three further Army Apprenticeship contracts which come up for renewal in the same year, these will be for The Royal Logistics Corps, the Royal Military Police and the Royal Armoured Corps and the Royal Armoured Veterinary Corps.

Funding risk

The funding rules and income streams resulting from the introduction of the levy was well managed by the Company with effective pricing strategies implemented. However, this direction will be further complicated as apprenticeships continue to transition to the new standards, which will generate different funding levels. The contracts are subject to changes in funding and therefore the Company will continue to work with its military employers to identify how apprenticeships will be delivered in the future. The re pricing activity for the Royal signals contracts was commenced in 2018-2019 as the Army determined to start all new standards for this contract from September 2019 and the potential introduction of new standards as a result of being successful in new bids needs to be considered as we move into 2019-2020.

Learner Risks

Learner recruitment is predicted to increase in 2019-2020, as Army recruitment remains in the spotlight following issues identified in the media following the Army's use of Capita to manage their recruitment process. Employer information in relation to recruitment continues to be largely reliable for budgetary purposes. The Company maintains a strong communication link with the employer on all contracts to secure local intelligence in relation to both learner recruitment and unit relocations. Learner numbers are however always unpredictable as they are subject to change and cannot be guaranteed.

Financial Risk

The Company enjoys the support of the two-member colleges, to assist in the management of its cashflows. There is currently no borrowing requirement and the Company is therefore not at risk from interest rate changes.

This report was approved by the board and signed on its behalf by:



A Ford
Secretary

Date: 12/12/19

THE COLLEGES' PARTNERSHIP LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

The directors present their annual report and the audited financial statements of The Colleges' Partnership Limited (the "Company") for the year ended 31 July 2019.

Results and dividends

The profit for the financial year amounted to £25,000 (2018 - £25,000).

the directors do not recommend the payment of a dividend (2018 - £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

A J Burnside
A Ford
M J Tudor
A A Berry

Matters covered in the strategic report

Future developments of the Company and the financial risks that the Company faces and how they are managed is discussed in the Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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 COLLEGES' PARTNERSHIP LIMITED

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Disclosure of information to auditors

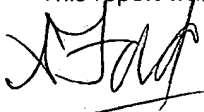
In the case of each director at the time when this is approved has confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



A Ford
Secretary

Date: 12/12/19

THE COLLEGES' PARTNERSHIP LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLEGES' PARTNERSHIP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, The Colleges' Partnership Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 July 2019; the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

THE COLLEGES' PARTNERSHIP LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLEGES' PARTNERSHIP LIMITED (CONTINUED)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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 an auditors' report 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

THE COLLEGES' PARTNERSHIP LIMITED

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLEGES' PARTNERSHIP LIMITED
(CONTINUED)**

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Craig Sullivan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
~~Date:~~

20 December 2019.

THE COLLEGES' PARTNERSHIP LIMITED**(A Company Limited by Guarantee)****STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Turnover	4	5,574,416	6,039,791
Cost of sales		(3,475,868)	(4,100,803)
Gross profit		2,098,548	1,938,988
Administrative expenses		(2,074,582)	(1,914,806)
Operating profit	5	23,966	24,182
Interest receivable and similar income	8	1,034	818
Profit before taxation		25,000	25,000
Tax on profit	10	-	-
Profit for the financial year		25,000	25,000
Total comprehensive income for the financial year		25,000	25,000

The notes on pages 14 to 24 form part of these financial statements.

THE COLLEGES' PARTNERSHIP LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 05606069

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	36,078	102,806
Current assets			
Debtors	11	1,386,128	1,525,461
Cash at bank and in hand	12	655,572	894,651
		<u>2,041,700</u>	<u>2,420,112</u>
Creditors: amounts falling due within one year	13	(1,314,739)	(1,684,879)
Net current assets		<u>726,961</u>	<u>735,233</u>
Total assets less current liabilities		<u>763,039</u>	<u>838,039</u>
Creditors: amounts falling due after more than one year	14	-	(100,000)
Net assets		<u><u>763,039</u></u>	<u><u>738,039</u></u>
Capital and reserves			
Profit and loss account	16	763,039	738,039
Total shareholders' funds		<u><u>763,039</u></u>	<u><u>738,039</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A A Berry
Director

Date:

12.12.19

The notes on pages 14 to 24 form part of these financial statements.

THE COLLEGES' PARTNERSHIP LIMITED

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Profit and loss account	Total shareholders' funds
	£	£
At 1 August 2017	713,039	713,039
Comprehensive income for the financial year		
Profit for the financial year	25,000	25,000
Total comprehensive income for the financial year	25,000	25,000
At 31 July 2018 and at 1 August 2018	738,039	738,039
Comprehensive income for the financial year		
Profit for the financial year	25,000	25,000
Total comprehensive income for the financial year	25,000	25,000
At 31 July 2019	763,039	763,039

The notes on pages 14 to 24 form part of these financial statements.

THE COLLEGES' PARTNERSHIP LIMITED**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	25,000	25,000
Adjustments for:		
Interest receivable and similar income	(1,034)	(818)
Depreciation of tangible assets	70,901	88,703
Loss on disposal of tangible assets	-	110
Release of capital grants	-	(1,861)
Decrease in debtors	139,333	537,840
Decrease in creditors	(43,382)	(48,202)
Increase in educational support creditor	-	677,714
Net cash generated from operating activities	190,818	1,278,486
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,296)	(4,433)
Sale of tangible fixed assets	2,123	-
Interest received	1,034	818
Net cash from investing activities	(3,139)	(3,615)
Cash flows from financing activities		
Payments to beneficiaries	(426,758)	(720,000)
Net cash used in financing activities	(426,758)	(720,000)
Net (decrease)/increase in cash and cash equivalents	(239,079)	554,871
Cash and cash equivalents at beginning of financial year	894,651	339,780
Cash and cash equivalents at the end of financial year	655,572	894,651
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	655,572	894,651

The notes on pages 14 to 24 form part of these financial statements.

THE COLLEGES' PARTNERSHIP LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

1. General information

The Colleges' Partnership Limited (the "Company") is a company limited by guarantee and incorporated and domiciled in England & Wales.

The Colleges' Partnership Limited is a company with charitable objects and is considered by HM Revenue and Customs as an exempt charity.

The Company's registered address is c/o Wiltshire College, Cocklebury Road, Chippenham, Wiltshire, England, SN15 3QD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in , the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

THE COLLEGES' PARTNERSHIP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.3 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

THE COLLEGES' PARTNERSHIP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

THE COLLEGES' PARTNERSHIP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

THE COLLEGES' PARTNERSHIP LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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.

(a) Significant judgements in applying accounting policies

There are no significant judgements in applying accounting policies.

(b) Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 2.3 for the useful economic lives for each class of assets.

(ii) *Impairment of debtors*

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Amounts receivable under training contracts	5,527,159	5,994,358
Miscellaneous income	47,257	43,572
Release of deferred capital grant	-	1,861
	<u>5,574,416</u>	<u>6,039,791</u>

All turnover arose within the United Kingdom.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	798	-
Depreciation of tangible assets	52,705	88,703
Operating Leases rentals - motor vehicles & photocopiers	32,085	41,781
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	12,575	12,060
	<u> </u>	<u> </u>
Fees payable to the Company's auditors in respect of:		
All other services	2,215	2,580
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

	2019	2018
	£	£
Wages and salaries	3,087,884	3,578,594
Social security costs	271,666	329,083
Other pension costs	116,318	128,983
	<u>3,475,868</u>	<u>4,036,660</u>

The average monthly number of employees including (Chief Executive) during the year was as follows:

	2019	2018
	Number	Number
Teaching and learning	88	97
Administration	27	31
	<u>115</u>	<u>128</u>

During the year, no director received any emoluments (2018: £Nil). All directors are employed by one or other of the joint venture partners - Wiltshire College and Bridgewater & Taunton College. The directors are paid by their respective employer.

8. Interest receivable and similar income

	2019	2018
	£	£
Other interest receivable	1,034	818
	<u>1,034</u>	<u>818</u>

9. Tax on profit

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

10. Tangible assets

	Fixtures and fittings £
Cost	
At 1 August 2018	606,672
Additions	4,173
At 31 July 2019	<u>610,845</u>
Accumulated depreciation	
At 1 August 2018	503,866
Charge for the year	52,705
Adjustment	18,196
At 31 July 2019	<u>574,767</u>
Net book value	
At 31 July 2019	<u>36,078</u>
At 31 July 2018	<u>102,806</u>

THE COLLEGES' PARTNERSHIP LIMITED**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019****11. Debtors**

	2019 £	2018 £
Trade debtors	16,050	18,701
Other debtors	167	2,625
Prepayments and accrued income	1,369,911	1,504,135
	<u>1,386,128</u>	<u>1,525,461</u>

12. Cash at bank and in hand

	2019 £	2018 £
Cash at bank and in hand	<u>655,572</u>	<u>894,651</u>

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Owed to beneficiaries	80,084	406,842
Trade creditors	77,762	87,658
Other taxation and social security	72,183	96,045
Other creditors	1,000,000	1,000,000
Accruals and deferred income	84,710	94,334
	<u>1,314,739</u>	<u>1,684,879</u>

14. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Owed to beneficiaries	<u>-</u>	<u>100,000</u>

The amount owed to beneficiaries is interest free and repayable on demand.

THE COLLEGES' PARTNERSHIP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

15. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,386,128</u>	<u>1,297,454</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,242,556)</u>	<u>(1,688,833)</u>

Financial assets measured at amortised cost comprise trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise owed to beneficiaries, trade creditors and accruals.

16. Profit and loss account

The profit and loss account represents the accumulated profits and losses of the Company.

17. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £116,318 (2018: £128,093).

19. Commitments under operating leases

At 31 July the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	16,945	32,085
Later than 1 year and not later than 5 years	<u>16,980</u>	<u>33,925</u>
	<u>33,925</u>	<u>66,010</u>

THE COLLEGES' PARTNERSHIP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

20. Related party transactions

The Company is a joint venture that is owned equally by Bridgewater & Taunton College and Wiltshire College.

During the year, the Company credited the colleges £600,000 (2018: £677,714) in recognition of the contribution that the colleges make to the educational direction of the Company.

Amounts owed to the colleges are disclosed in the financial statements as other loans due within and after one year.

During the year, the Company obtained specialist advice from Wiltshire College for its business support areas. The Company's Statement of Comprehensive Income includes charges totalling £163,103 (2018: £147,900). These are included in administration fees.

21. Ultimate parent undertaking and controlling party

The Company is a joint venture and is governed equally by Wiltshire College and Bridgewater and Taunton College.