

# TYDFIL TRAINING CONSORTIUM LIMITED

England & Wales · Charity number 702622

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">02472331</a>
Registered	1990-03-02
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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**Address** William Smith Building  
High Street  
Merthyr Tydfil  
Mid Glam  
CF47 8AP

**Phone** 01685371747

**Email** [enquiries@tydfil.com](mailto:enquiries@tydfil.com)

**Website** [www.tydfil.com](http://www.tydfil.com)

## Activities

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**Objects:** TO PROMOTE THE ADVANCEMENT OF EDUCATION AND THE RELIEF OF NEED AMONG YOUNG AND OTHER UNEMPLOYED PERSONS RESIDENT IN WALES BY THE PROVISION OF SUCH TRAINING FACILITIES AS WILL ENABLE SUCH PERSONS TO ACQUIRE AND DEVELOP VOCATIONAL SKILLS".

**Activities:** The charity exists to deliver training and development opportunities aimed at unemployed and economically inactive young people and adults resident in Wales, to enhance their quality of life and employability potential.

## Classification

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- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, Other Defined Groups, The General Public/mankind

## Geography

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- **Area of benefit:** WALES
- Throughout Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-07-31	£2,156,000	£2,152,000	£1,552,000	35
2024-07-31	£2,106,000	£1,841,000	£1,548,000	34
2023-07-31	£1,692,000	£1,648,000	£1,283,000	33
2022-07-31	£2,086,000	£1,840,000	£1,239,000	32
2021-07-31	£1,391,000	£1,203,000	£993,000	29
2020-07-31	£1,427,694	£1,258,894	£804,871	32

## Trustees

Name	Role	Appointed
<b>Matthew Anthony Morgan Dicks</b>	Chair	2023-08-01
Adrian Michael Patrick De Coursey		2023-08-01
Daniel Robert Tromans		2025-05-01
Julie Anne Bellamy		2022-08-01
Katharine Sara Fowler		2018-08-01
Lisa Thomas		2018-08-01
Michael Andrew O'Neill		2023-08-01
PAUL GRAY		2018-08-01
Sarah Elaine Simmonds		2025-05-01
Tara Elizabeth Williams		2025-05-01

**TYDFIL TRAINING CONSORTIUM LIMITED**

England & Wales - Charity number 702622

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# Accounts

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**Tydfil Training Consortium Ltd**  
Limited by guarantee

**Annual Report and**  
**Financial Statements for the year ended 31 July 2025**

**Annual Report and Financial Statements for the year ended 31 July 2025**

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**Legal and administrative Information****Status**

The company was incorporated on 20 February 1990 as a company limited by guarantee (company number 02472331) and is registered as a charity (charity number 702622).

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected at the Annual General Meeting (AGM) to serve a period of three years, subject to ratification at each AGM. The directors of the company are its trustees for the purpose of charity law.

**Directors and Trustees**

The existing directors and those who held office during the year and up to the date of signing the annual report and financial statements are given below:

Mrs J A Bellamy  
Ms K S Fowler  
Mr P Gray (Chief Executive Officer)  
Ms L M Thomas  
Mr A de Courcey  
Mr M Dicks  
Mr M O'Neill  
Ms S E Simmonds (appointed 1 May 2025)  
Mr D R Tromans (appointed 1 May 2025)  
Ms T E Williams (appointed 1 May 2025)

No payments have been made to or on behalf of the above except for Mr P Gray (Chief Executive Officer) whose remuneration is included in Note 3.

**Company Secretary**

Mrs L C FitzGerald

**Registered Office & Headquarters**

William Street Building, High Street, Merthyr Tydfil, CF47 8AP

**Independent Auditors**

HaysMac LLP, 10 Queen Street Place, London, EC4R 1AG

**Solicitors**

Capital Law Limited, Capital Building, Tyndall Street, Cardiff, CF10 4AZ

**Bankers**

Barclays Bank plc, Leicester, Leicestershire, LE87 2BB

## Directors' report for the year ended 31 July 2025

The directors present their report and the audited financial statements of Tydfil Training Consortium Ltd, (known as 'the Company') for the year ended 31 July 2025. The financial statements have been prepared to comply with the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP)' and in accordance with applicable accounting standards.

### Principal activities

The charitable objects of Tydfil Training Consortium, Ltd are to support individuals and the community to achieve success in their educational, employability and enterprise goals in the South Wales area. The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. Tydfil Training Consortium Ltd (TTC) is a wholly owned subsidiary of The College Merthyr Tydfil, part of the University of South Wales Group. The principal activities are the provision of Work Based Learning and Employability opportunities as part of the Cardiff & Vale College Apprenticeship Group and ACT's Jobsgrowth Wales Plus Consortium. Enterprise Support is delivered by MTEC (Merthyr Tydfil Enterprise Centre – a TTC Brand) under a funding agreement to Merthyr Tydfil County Borough Council, from January 2022 by the Community Regeneration Funding (CRF) Grant and from January 2023 and ongoing to March 2026 via the Shared Prosperity Fund (SPF). Additionally, we deliver the Restart Programme, for Serco, contracting for The Department for Work & Pensions (DWP). Tydfil Training Consortium does not engage in fundraising or use the services of a professional fundraiser.

### Business review and future developments

During the year, the Board agreed an updated five-year strategic plan which articulates how Tydfil Training Consortium Ltd will develop. The 2024/25 financial year was Tydfil Training Consortium's seventh year of operation as a wholly owned subsidiary of the College Merthyr Tydfil. Tydfil Training Consortium's strategic priorities have been aligned to those of the college and are:

1. Our people and culture
2. Our customer experience
3. Our place in the community
4. Our resources and environment

### Results

The Company's surplus for the year ended 31 July 2025 was £5,564 (2024: surplus £264,787).

The Company's cash and liquidity positions remained strong throughout the year, with year-end cash balances exceeding target with a healthy current ratio (current assets to current liabilities).

### Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The charity reported a cash outflow of £66,339 during the period due to movement of cash to investments. Forecasts for 2025/26 currently show an expected surplus of £27,686. This represents a conservative estimate which has been made based on a number of factors. The directors have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of any plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

## Directors' report for the year ended 31 July 2025 (continued)

The directors are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the company is secured and therefore on that basis is a going concern.

### Key Performance Indicators

The following two key performance indicators (KPIs) are relevant when assessing performance for the year. The KPI's are derived from the five-year Strategic plan and evaluated and reported against national comparators:

- i) Surplus: £5,564 (2024: surplus £264,787)
- iii) Current ratio: 7.5 (2024: 11.2)

Participant Engagement: Learner number in JGW+, Adult, Apprenticeship and Mtec Enterprise registration routes remains strong.

Quality: Learner outcomes remained strong when viewed against the circumstances and influence of current economic and societal effects of the region. Enterprise outcomes have been evaluated by both Merthyr Tydfil and Rhondda Cynon Taf authorities and remain well above target.

Health & Safety: Tydfil Training Consortium, as part of its Work Based learning consortium received a grade of excellent. In addition to supporting internal arrangements, we have also grown the commercial training arm in respect to Health & Safety during the year.

### Principal risks and uncertainties

Outlined below are the principal financial risks facing Tydfil Training Consortium. Not all the factors are wholly within our control. Other factors besides those listed below may also adversely affect the business and are included in our overarching risk register.

### Government funding

Tydfil Training Consortium relies considerably on continued Government funding. Our Apprenticeship contract renewed in August 2024, still with Cardiff & Vale College as the lead. The JGW+ Traineeship programme, introduced in April 2023, continues to attract and retain increasing numbers of learners, especially those adversely affected by the Pandemic. Recruitment and progression are monitored closely under the new contract requirements, once again with our partners at ACT.

We continue to deliver the DWP Restart Programme for Serco in Merthyr Tydfil, Pontypridd, Porth and Llantrisant, supporting unemployed adults.

Our programme of Enterprise support, under the Shared Prosperity Fund and MTCBC continues under the Merthyr Tydfil Enterprise Centre (MTEC) brand, successfully exceeding targets and adding value for the Borough.

In 2024/25, the Multiply programme (SPF and MTCBC) assisting adults throughout the area with numeracy and associated skills came to an end in March.

### Financial risk management

Tydfil Training Consortium is committed to exhibiting best practice in all areas of financial risk management and corporate governance, fully adhering to the principles and policies set out in the Governance Code of Practice and General Principles.

Tydfil Training Consortium's Board of Directors is responsible for the system of internal control and for the financial risks. The register is regularly reviewed by senior management and the Board. The risk register

**Directors' report for the year ended 31 July 2025 (continued)**

identifies the key risks, the likelihood of those risks occurring, their potential impact on the organisation and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a scoring system that is consistent within the group. Tydfil Training Consortium's risk management process is consolidated into the College Merthyr Tydfil (parent entity) whose internal control guidance adheres to the combined code as amended by the British Universities Finance Directors Group. As part of their induction new Directors are provided with an understanding of the company's policies and procedures and are offered ongoing training to ensure that their knowledge remains current.

**Reserve Policy**

Tydfil Training Consortium Ltd is aware of the need to secure its viability beyond the immediate future. As such, we recognise the importance of reserves in the financial stability of any organisation and ensure that there are adequate reserves to support its core activities and to invest for the future needs of our customers. The reserves which we retain can be categorised as follows:

Capital Reserves – To provide funds to meet the current and future capital spend requirements.

Strategic Reserve – To meet the cost requirements of strategic initiatives and growth as per our strategic plan.

Total reserves at the 31 July 25 were £1,553,198 (2024: £1,547,634).

It is our intention to continue to generate reserves through annual operating surpluses.

The Board of Directors met four times during the reporting period. In terms of audit arrangements, whilst a separate Tydfil Training Consortium Audit Committee has not been established, all audit reports and reviews and other information relating to the company are formally received by the University of South Wales' Audit Committee which meets four times per year.

Based on the strategic plan, Tydfil Training Consortium Board undertakes a comprehensive review of the risks to which the organisation is exposed. Systems and procedures are reviewed and investigated, including specific preventative actions which should mitigate any potential impact on the Company. The internal controls are then implemented, and the subsequent year's appraisal will review effectiveness and progress against risk mitigation actions. In addition to the annual review, the leadership team will also consider any risks which may arise as a result of a new area of work being undertaken by Tydfil Training Consortium.

Tydfil Training Consortium will continue to explore alternative sources of income both in collaboration with partners and in its own right. This risk is mitigated in a number of ways:

- Funding derived through a number of direct contractual arrangements;
- By ensuring that Tydfil Training Consortium is rigorous and competitive in delivering high quality training and skills;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies and potential prime contractors; and
- Ensuring Tydfil Training Consortium is focused on those priority sectors which will continue to benefit from public funding.

**Dividends**

The company is limited by guarantee. The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2025 (2024 – £nil).

**Summary of the Structure of Corporate Governance**

Tydfil Training Consortium's Board of Directors comprises of members appointed in accordance with the Articles of Government. The Chair of the Board is separated from the role of the Chief Executive. Those matters specifically reserved to the Board for decision are set out in the Articles of Government. The Board

**Directors' report for the year ended 31 July 2025 (continued)**

holds to itself the responsibilities for the ongoing strategic direction, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management.

The Board meets four times a year and is represented on The College Merthyr Tydfil's Board of Directors and in the College's Executive Meetings. The College is represented at the University of South Wales Group Committees (Finance and Resources, Human Resources and Audit).

Tydfil Training Consortium is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the organisation has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2024. Its purpose is to help the reader of the annual report and financial statements understand how the principles have been applied. In the opinion of the Board, the organisation complies with all of the provisions of the Code, in so far as they apply to the sectors, and it has complied throughout the year ended 31 July 2025 and up to the date of signing the annual report and financial statements.

**Employees**

Applications for employment by disabled persons are always fully considered, taking into account the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues, and the appropriate training is arranged.

It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. To this end, Tydfil Training Consortium has attained the DWP "Disability Confident" accreditation at Level 2 and is working towards achieving Level 3 in 2025/26.

Consultation with employees or their representatives has been undertaken, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

The College Board considers recommendations in relation to the remuneration of the Chief Executive. In agreeing the Chief Executive's remuneration, consideration is given to a range of information in line with that pay policy for all employees of the company. This includes consideration of the following:

- Consumer Price Index / Inflation
- Sector Averages
- Affordability and alignment with remuneration of senior staff at the College

The Board is also cognisant of wider financial and delivery performance, specifically reports of progress against KPIs. The Board is also informed by the Chair of their appraisal of individual performance as it relates to company performance.

**Statement of Directors' responsibilities 31 July 2025**

The directors are responsible for preparing the Trustees' 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

**Directors' indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance. This was also in force at the date of approval of the annual report and financial statements.

**Provision of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Small Company Provisions**

This report has been prepared in accordance with the special provisions relating to Small Companies within Part 15 of the Companies Act 2006.

**Statement of Directors' responsibilities 31 July 2025 (continued)**

**Independent Auditors**

HaysMac LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**By order of the board**



Mr Matthew Dicks  
Chair

Date: 18 November 2025

**Independent auditor's report to the members of Tydfil Training Consortium Limited****Opinion**

We have audited the financial statements of Tydfil Training Consortium for the year ended 31 July 2025 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on pages 8 & 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

Based on our understanding of the charitable company and the environment in which it operates, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as taxation legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

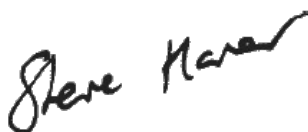
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steve Harper (Senior Statutory Auditor)  
For and on behalf of HaysMac LLP, Statutory Auditor  
Date: 25 November 2025

10 Queen Street Place  
London  
EC4R 1AG

**Statement of Financial Activities (Incorporating the Income and Expenditure Account) for the year ended 31 July 2025**

	Notes	Unrestricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
<b>Income from:</b>					
Charitable Activities	2	2,110,299	-	2,110,299	2,071,859
Investments		45,987	-	45,987	33,959
<b>Total income</b>		<b>2,156,286</b>	<b>-</b>	<b>2,156,286</b>	<b>2,105,818</b>
<b>Expenditure on:</b>					
Charitable Activities	4 & 5	(2,150,722)	-	(2,150,722)	(1,844,992)
<b>Total expenditure</b>		<b>(2,150,722)</b>	<b>-</b>	<b>(2,150,722)</b>	<b>(1,844,992)</b>
<b>Net income</b>		<b>5,564</b>	<b>-</b>	<b>5,564</b>	<b>260,826</b>
<b>Other recognised gains/(losses):</b>					
Other gains/(losses)		-	-	-	3,961
<b>Net movement in funds</b>		<b>5,564</b>	<b>-</b>	<b>5,564</b>	<b>264,787</b>
<b>Reconciliation of Funds:</b>					
Total funds brought forward		1,546,034	1,600	1,547,634	1,282,847
<b>Total funds carried forward</b>		<b>1,551,598</b>	<b>1,600</b>	<b>1,553,198</b>	<b>1,547,634</b>

The notes on pages 16 to 24 form part of these Accounts.

## Balance Sheet as at 31 July 2025

		2025	2024
		£	£
	Note		
Property, plant and equipment	7	412,801	377,341
<b>Current assets</b>			
Debtors	8	192,859	230,446
Investments	9	1,077,572	927,899
Cash at bank and in hand		204,174	270,513
		1,474,605	1,428,858
<b>Creditors</b>			
Amounts falling due within one year	10	(196,738)	(127,550)
<b>Net current assets</b>		1,277,867	1,301,308
<b>Creditors</b>			
Amounts falling due after one year	12	(137,470)	(131,015)
<b>Net Assets</b>		<b>1,553,198</b>	<b>1,547,634</b>
<b>Funds</b>			
Restricted Funds	15	1,600	1,600
Unrestricted Funds	15	1,551,598	1,546,034
<b>Total funds</b>		<b>1,553,198</b>	<b>1,547,634</b>

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

The financial statements on pages 13 to 24 were approved and authorised for issue by the Board of Directors and were signed on its behalf on that date by:




Mr Matthew Dicks  
Chair

Date: 18 November 2025

## Cash flow statement for the year ended 31 July 2025

		2025	2024
	Note	£	£
<b>Cash flow from operating activities</b>			
Surplus for the financial year		5,564	264,787
<b>Operating surplus</b>		<b>5,564</b>	<b>264,787</b>
<b>Adjustment for non-cash items</b>			
Depreciation	7	33,359	35,566
Deferred capital grant release		(20,355)	(21,366)
(Increase) in Debtors	8	37,587	(25,559)
(Decrease)/Increase in Creditors	10,12	95,998	(37,221)
<b>Adjustment for investing or financing activities</b>			
Investment income		(45,987)	(33,959)
Profit on sale of fixed assets		-	(3,963)
Capital grant income		(20,000)	(54,763)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>86,166</b>	<b>123,522</b>
<b>Cash flow from investing activities</b>			
Capital grant receipts		20,000	54,763
Increase in investments		(149,673)	(927,899)
Investment income		45,987	33,959
Proceeds from sale of fixed assets		-	5,000
Payments made to acquire fixed assets		(68,819)	(31,263)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(152,505)</b>	<b>(865,440)</b>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>(66,339)</b>	<b>(741,918)</b>
Cash and cash equivalents at beginning of the year		270,513	1,012,431
<b>Total cash and cash equivalents at end of year</b>		<b>204,174</b>	<b>270,513</b>

**Notes to the Accounts for the year ended 31 July 2025****1. Statement of Accounting policies****Basis of preparation**

The financial statements of the charitable company, which is a public benefit entity, are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including the Charities SORP 2019 and FRS102: The Financial Standard applicable in the UK and Republic of Ireland. By exception, capital grants are accounted for under the Further and Higher Education SORP 2019, using the accruals model. This follows the accounting treatment adopted by the company's parent undertaking, Merthyr Tydfil College Limited and is considered appropriate and necessary to give a true and fair view of the entity's financial position as the company is part of a Higher Education Group. If the company had not chosen to depart from the Charities SORP, the balance of £149,681 in the balance sheet for FY25 would have been recognised as income at the time there was evidence of entitlement to the grant, receipt was probable, and its amount could be measured reliably (FY24 £150,037).

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

**Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The charity reported a cash outflow of £66,339 during the period due to a transfer of cash to short term investment of £100,000. Forecasts for 2025/26 currently show an expected surplus of £27,686. The directors have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

On the basis that there are no material uncertainties, the directors are of a view that their actions to improve the surpluses within the company a being part of the University of South Wales group, the future of the company is secured and therefore on that basis is a going concern.

**Income from charitable activities**

Income from charitable activities, which excludes value added tax, represents the invoiced value of services provided during the year together with income from various Government grants. Income is recognised on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised in deferred income within the balance sheet as liabilities.

**Government grants**

Government grants in respect of income are credited to income from charitable activities in the period to which they relate. Capital grants are credited to a deferred capital grant account and are then released to the statement of financial activities over the useful lives of the assets to which they relate.

**Foreign Currency**

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date unless there is a contracted exchange rate. Exchange differences are taken into account in arriving at the operating profit.

**Property, Plant and Equipment**

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is the purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The principal rates used for this purpose are:

Leasehold Property	Length of the Lease
Freehold Property	2% straight line basis
Equipment	33% straight line basis
Vehicles	25% reducing balance

**Notes to the Accounts for the year ended 31 July 2025 (continued)****Statement of Accounting Policies (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount paid after taking account of any discounts due.

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of a change in value.

**Investments**

Investments comprise cash equivalents on deposit and are measured at fair value. Investments have been made on behalf of TTC by University of South Wales - see note 16, related parties, for detail.

**Creditors and Provisions**

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

**Pensions**

The company operates a defined contribution pension scheme in accordance with the auto enrolment guidelines. This is in addition to the contributions to stakeholder pensions on behalf of certain employees.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company are capitalised in the balance sheet, and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged as expenditure on a straight-line basis over the lease term.

**Taxation**

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There have been no significant judgements made during this financial year.

## Notes to the Accounts for the year ended 31 July 2025 (continued)

## 2. Income resources from activities

	2025 £	2024 £
Provision of vocational and Work Based learning	1,782,104	1,765,646
Other Income	12,729	10,616
Government Grants	315,466	295,597
<b>Total</b>	<b>2,110,299</b>	<b>2,071,859</b>

## 3. Staff Costs

	2025 £	2024 £
Salaries	1,059,289	926,280
Social security costs	95,391	82,681
Other Pension costs	26,136	14,025
<b>Total</b>	<b>1,180,816</b>	<b>1,022,986</b>

## Average staff numbers analysed by function

	2025 Number	2024 Number
Management	7	7
Delivery & Administration	32	27
<b>Total</b>	<b>39</b>	<b>34</b>

## Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities. Staff costs include remuneration paid to key management personnel.

	2025 £	2024 £
Key Management Personnel remuneration	196,115	187,860

## The number of employees who emoluments exceeded £60k was:

	2025	2024
80,000-90,000	1	1

**Notes to the Accounts for the year ended 31 July 2025 (continued)**

No payments have been made to or on behalf of the trustees except for Mr P Gray (Chief Executive Officer) whose remuneration is included in this Note. Per the Articles of the Company, the income and property of the Company shall be applied solely towards the promotion of the Objects and no part of that income or property may be paid, transferred or applied by way of Benefit to any Director except any Benefit provided under a contract of employment between the Company and the CEO. In addition, subject to the provisions of Article 11.2, the Board of Directors shall comprise the CEO (acting ex officio) and The Principal and the CEO shall each hold office as a Director for so long as they hold office as Principal of the Member and CEO of the Company respectively.

**4. Analysis of expenditure**

	<b>2025</b> £	<b>2024</b> £
Trainee costs		
• Allowances & Expenses	145,802	138,441
• Training & Tuition Fees	349,767	183,217
• Travelling Expenses	4,889	4,457
Agency costs	-	-
Grant related expenditure	146,140	140,011
Staff Costs	1,180,816	1,022,986
Support Costs	323,308	355,880
<b>Total</b>	<b>2,150,722</b>	<b>1,844,992</b>

**5. Support Costs**

	<b>2025</b> £	<b>2024</b> £
Management Fees	50,000	50,000
Repairs & maintenance	43,576	36,195
Professional fees & subscriptions	39,992	59,390
Utilities, Rent & Rates	20,751	39,184
Telephones	11,114	19,725
Insurance	7,684	5,428
Advertising	6,326	8,654
Printing & Stationery	13,820	12,821
Travel	22,983	12,417
Depreciation	33,359	35,566
Miscellaneous expenses	73,703	76,500
<b>Total</b>	<b>323,308</b>	<b>355,880</b>

**6. Profit on ordinary activities before taxation**

	<b>2025</b> £	<b>2024</b> £
Profit on ordinary activities before taxation is stated after charging:		
External auditor's remuneration in respect of audit services	7,500	7,500

## Notes to the Accounts for the year ended 31 July 2025 (continued)

## 7. Property, plant, and equipment:

	Leasehold Property £	Freehold Property	General Equipment £	AUC £	Vehicles £	Total £
<b>Cost or valuation</b>						
At 1 August 2024	136,220	660,213	261,971	16,500	-	1,074,904
Additions	-	77,219	8,100	-	-	85,319
Transfers	-	-	-	(16,500)	-	(16,500)
Disposals	-	-	-	-	-	-
<b>At 31 July 2025</b>	<b>136,220</b>	<b>737,432</b>	<b>270,071</b>	<b>-</b>	<b>-</b>	<b>1,143,723</b>
<b>Accumulated depreciation</b>						
At 1 August 2024	49,430	404,061	244,072	-	-	697,563
Charge for the year	2,770	16,777	13,812	-	-	33,359
Disposals	-	-	-	-	-	-
<b>At 31 July 2025</b>	<b>52,200</b>	<b>420,838</b>	<b>257,884</b>	<b>-</b>	<b>-</b>	<b>730,922</b>
<b>Net book value at 31 July 2025</b>	<b>84,020</b>	<b>316,594</b>	<b>12,187</b>	<b>-</b>	<b>-</b>	<b>412,801</b>
Net book value at 31 July 2024	86,790	256,152	17,899	16,500	-	377,341

## 8. Debtors

	2025 £	2024 £
Trade debtors	153,619	215,564
Amounts owed by group undertakings	33,326	2,125
Other debtors	700	1,500
Prepayments and accrued income	5,214	11,257
VAT	-	-
<b>Total</b>	<b>192,859</b>	<b>230,446</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand. It is expected that these amounts will be received within the next 12 months.

## Notes to the Accounts for the year ended 31 July 2025 (continued)

## 9. Investments

	2025 £	2024 £
HSBC investment	1,077,572	927,899
<b>Total</b>	<b>1,077,572</b>	<b>927,899</b>

## 10. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	32,918	9,610
Amounts owed to group undertakings	15,000	-
Deferred capital grants	12,213	19,022
Accruals and deferred income	117,179	68,974
Other payables	-	19,089
VAT	19,429	10,855
<b>Total</b>	<b>196,739</b>	<b>127,550</b>

Amounts owing to group undertakings are unsecured, interest free and repayable on demand.

## 11. Deferred Income

	2025 £	2024 £
<b>Deferred income</b>		
Deferred income brought forward	14,905	37,226
Income deferred in current year	229,636	257,287
Amounts released in the year	(196,515)	(279,608)
<b>Deferred income carried forward</b>	<b>48,026</b>	<b>14,905</b>

## Notes to the Accounts for the year ended 31 July 2025 (continued)

## 12. Creditors: Amounts falling due after one year

	2025 £	2024 £
Deferred capital grants	137,468	131,015
<b>Total</b>	<b>137,468</b>	<b>131,015</b>

## 13. Amounts payable under operating lease obligations

	2025 £	2024 £
Lease obligations payable		
Payable during the year	3,972	4,302
Within two to five years	11,801	7,982
<b>Total</b>	<b>15,773</b>	<b>12,284</b>

£3,972 has been recognised as an expense in respect of lease obligations during the year (FY24 £5,410)

## 14. Commitments and contingencies

Provision has not been made for the following capital commitments at 31 July 2025:

	2025 £	2024 £
Commitments contracted for	-	16,000
<b>Total</b>	<b>-</b>	<b>16,000</b>

## Notes to the Accounts for the year ended 31 July 2025 (continued)

## 15. Reserves

2025

	Fund balances b/f £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances c/f £
Unrestricted fund	1,546,034	2,156,286	(2,150,722)	-	-	1,551,598
Restricted fund	1,600	-	-	-	-	1,600
<b>Total funds</b>	<b>1,547,634</b>	<b>2,156,286</b>	<b>(2,150,722)</b>	<b>-</b>	<b>-</b>	<b>1,553,198</b>

The restricted fund is made up of a donation received for scholarships paid from the Joe Jonathan Memorial.

2024

	Fund balances b/f £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances c/f £
Unrestricted fund	1,281,247	2,105,818	(1,844,992)	-	3,961	1,546,034
Restricted fund	1,600	-	-	-	-	1,600
<b>Total funds</b>	<b>1,282,847</b>	<b>2,105,818</b>	<b>(1,844,992)</b>	<b>-</b>	<b>3,961</b>	<b>1,547,634</b>

## Analysis of net assets between funds

	Unrestricted	Restricted	2025
Tangible fixed assets	412,801	-	412,801
Current assets	1,473,005	1,600	1,474,605
Current liabilities	(196,738)	-	(196,738)
Liabilities over 1 year	(137,470)	-	(137,470)
<b>Total</b>	<b>1,551,598</b>	<b>1,600</b>	<b>1,553,198</b>

	Unrestricted	Restricted	2024
Tangible fixed assets	377,341	-	377,341
Current assets	1,427,258	1,600	1,428,858
Current liabilities	(127,550)	-	(127,550)
Liabilities over 1 year	(131,015)	-	(131,015)
<b>Total</b>	<b>1,546,034</b>	<b>1,600</b>	<b>1,547,634</b>

**Notes to the Accounts for the year ended 31 July 2025 (continued)****16. Related Parties**

Tydfil Training Consortium is a wholly owned subsidiary of Merthyr College Limited and is included in the consolidated financial statements of the University of South Wales, which are publicly available from University of South Wales, Pontypridd, Rhondda Cynon Taff, CF329 1DL.

During the period, the company paid a £50,000 management fee to its immediate parent, Merthyr Tydfil College Ltd. There is also £33,326 included within trade debtors in respect of MTC Ltd as at the period end.

In addition, during the period TTC transferred £100,000 to its ultimate parent, the University of South Wales, which USW invested on its behalf. USW owes TTC £1,077,572 in respect of repayment of this investment and associated interest. The balance has been reflected in investments within TTC rather than intercompany debtors to provide a true and fair view of the financial position as at the year end. There is also a balance of £15,000 included within trade creditors in respect of USW as at the period end.

There have been no other transactions with related parties within the year.

**17. Ultimate parent undertaking**

The immediate parent undertaking is Merthyr Tydfil College Limited (registered charity no. 1140289, Company registration no. 6671721), a Further Education Corporation. Merthyr Tydfil College Ltd controls the company by virtue that they can appoint directors to the board. The results of the company have been incorporated in the University of South Wales' (registered charity no. 1140312) consolidated financial statements, which forms the largest and smallest group for which the company's financial statements are consolidated and is the ultimate controlling party. Copies of the University's financial statements are available from the following address:

University of South Wales  
Pontypridd  
Rhondda Cynon Taff  
CF37 1DL

**TYDFIL TRAINING CONSORTIUM LIMITED**

England & Wales - Charity number 702622

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# Accounts

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**Tydfil Training Consortium Ltd**  
Limited by guarantee

**Annual Report and**  
**Financial Statements for the year ended 31 July 2024**

**Annual Report and Financial Statements for the year ended 31 July 2024**

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**Legal and administrative Information****Status**

The company was incorporated on 20 February 1990 as a company limited by guarantee (company number 02472331) and is registered as a charity (charity number 702622).

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected at the Annual General Meeting (AGM) to serve a period of three years, subject to ratification at each AGM. The directors of the company are its trustees for the purpose of charity law.

**Directors and Trustees**

The existing directors and those who held office during the year and up to the date of signing the annual report and financial statements are given below:

Mrs K N Burns (Resigned 31 July 2024)  
Mrs J A Bellamy  
Ms K S Fowler  
Mr P Gray (Chief Executive Officer)  
Ms L M Thomas  
Mr A de Courcey (Appointed 1 August 2023)  
Mr M Dicks (Appointed 1 August 2023)  
Mr M O'Neill (Appointed 1 August 2023)

No payments have been made to or on behalf of the above except for Mr P Gray (Chief Executive Officer) whose remuneration is included in Note 3.

**Company Secretary**

Mrs L C FitzGerald

**Registered Office & Headquarters**

William Street Building, High Street, Merthyr Tydfil, CF47 8AP

**Independent Auditors**

HaysMac LLP, 10 Queen Street Place, London, EC4R 1AG

**Solicitors**

Capital Law Limited, Capital Building, Tyndall Street, Cardiff, CF10 4AZ

**Bankers**

Barclays Bank plc, Leicester, Leicestershire, LE87 2BB

## Directors' report for the year ended 31 July 2024

The directors present their report and the audited financial statements of Tydfil Training Consortium Ltd, (known as 'the Company') for the year ended 31 July 2024. The financial statements have been prepared to comply with the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP)' and in accordance with applicable accounting standards.

### Principal activities

The charitable objectives of Tydfil Training Consortium Ltd, which is a public benefit entity, are to support individuals and the community to achieve success in their educational, employability and enterprise goals in the South Wales area. The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. Tydfil Training Consortium Ltd (TTC) is a wholly owned subsidiary of The College Merthyr Tydfil, part of the University of South Wales Group and the principal activities are the provision of Work Based Learning and Employability opportunities as part of the Cardiff & Vale College Apprenticeship group and ACT JGW+ Consortium. Enterprise Support is delivered by MTEC (Merthyr Tydfil Enterprise Centre – a TTC Brand) under a funding agreement to Merthyr Tydfil County Borough Council, from January 2022 by the Community Regeneration Funding (CRF) Grant and from January 2023 via the Shared Prosperity Fund (SPF). Additionally, we deliver the Restart Programme for Serco, contracting for The Department for Work & Pensions (DWP). Tydfil Training Consortium does not engage in fundraising or use the services of a professional fundraiser.

### Business review and future developments

During the year, the Board agreed an updated five-year strategic plan which articulates how Tydfil Training Consortium Ltd will develop. The 2023/24 financial year was Tydfil Training Consortium's sixth year of operation as a wholly owned subsidiary of the College Merthyr Tydfil. Tydfil Training Consortium's strategic priorities have been aligned to those of the college and are:

1. To become the highest performing training provider in Wales
2. To become known by employers for our innovation and responsiveness, with an offer that facilitates progression into apprenticeships, or for employers to enhance their skills.
3. Learners and staff will enjoy a safe, supportive and inclusive environment.
4. Support collaborative partnerships of local and regional stakeholders, leading to enhanced opportunity and progressions for all.
5. Have effective HR, financial and support strategies that facilitate growth, development and investment to provide inspirational, enthusiastic and passionate training and assessment.

### Results

The Company's surplus for the year ended 31 July 2024 was £264,787 (2023: surplus £43,891).

The Company's cash and liquidity positions remained strong throughout the year, with year-end cash balances exceeding target with a healthy current ratio (current assets to current liabilities).

### Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The charity reported a cash outflow of £741,918 during the period due to movement of cash to investments. Forecasts for 2024/25 currently show an expected surplus of £67,106. This represents a conservative estimate which has been made based on the continuing effects of the post pandemic environment, and changes to Welsh Government contracting processes (i.e. The Commission for Tertiary Education and Research - CTER) during the year of which the impact of this is unknown. The

**Directors' report for the year ended 31 July 2024 (continued)**

directors have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the company is secured and therefore on that basis is a going concern.

**Key Performance Indicators**

The following two key performance indicators (KPIs) are relevant when assessing performance for the year. The KPI's are derived from the five-year Strategic plan and evaluated and reported against national comparators:

- i) Surplus: £264,787 (2023: surplus £43,981)
- iii) Current ratio: 11.2 (2023: 5.6)

Participant Engagement: Learner number in JGW+, Adult, Apprenticeship and Mtec Enterprise registration routes remains strong, with 100% achievement of recruitment targets across all programmes.

Quality: Learner outcomes remained strong when viewed against the circumstances and influence of post pandemic, with Apprenticeship framework success reaching 86%. Enterprise outcomes have been independently evaluated by Wavehill Consultancy.

Health & Safety: Tydfil Training Consortium, as part of its Work Based learning consortium received a grade of excellent. In addition to supporting internal arrangements, we have also grown the commercial training arm in respect to Health & Safety during the year.

**Principal risks and uncertainties**

Outlined below are the principal financial risks facing Tydfil Training Consortium. Not all the factors are wholly within our control. Other factors besides those listed below may also adversely affect the business and are included in our overarching risk register.

**Government funding**

Tydfil Training Consortium relies considerably on continued Government funding. Our Apprenticeship contract renewed in August 2024, still with Cardiff & Vale College as the lead. The JGW+ Traineeship programme, introduced in April 2023, continues to attract and retain healthy numbers of learners. Recruitment and progression are monitored closely under the new contract requirements, once again with our partners at ACT. We continue to deliver the DWP Restart Programme for Serco. We continue our successful delivery under the Shared Prosperity Fund which commenced in January 2023 supporting MTEC and Enterprise.

Additionally, this year we successfully delivered 6 Lots in the UK Govt "Multiply" programme of numeracy support.

**Financial risk management**

Tydfil Training Consortium is committed to exhibiting best practice in all areas of financial risk management and corporate governance, fully adhering to the principles and policies set out in the Governance Code of Practice and General Principles.

Tydfil Training Consortium's Board of Directors is responsible for the system of internal control and for the financial risks. The register is regularly reviewed by senior management and the Board. The risk register

**Directors' report for the year ended 31 July 2024 (continued)**

identifies the key risks, the likelihood of those risks occurring, their potential impact on the organisation and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a scoring system that is consistent within the group Tydfil Training Consortium's risk management process is consolidated into the College Merthyr Tydfil (parent entity) whose internal control guidance adheres to the combined code as amended by the British Universities Finance Directors Group. As part of their induction new Directors are provided with an understanding of the company's policies and procedures and are offered ongoing training to ensure that their knowledge remains current.

To mitigate the over-dependence on Welsh government funding, the Directors will explore potential to diversify into other non WG income generation. They will also work with representative bodies and LA to ascertain the longevity of SPF and political implications of change.

Reserve Policy

Tydfil Training Consortium Ltd is aware of the need to secure its viability beyond the immediate future. As such, we recognise the importance of reserves in the financial stability of any organisation and ensure that there are adequate reserves to support its core activities and to invest for the future needs of our customers. The reserves which we retain can be categorised as follows:

Capital Reserves – To provide funds to meet the current and future capital spend requirements.

Strategic Reserve – To meet the cost requirements of strategic initiatives and growth as per our strategic plan.

Total reserves at the 31 July 24 were £1,547,634 (2023: £1,282,847).

It is our intention to continue to generate reserves through annual operating surpluses.

The Board of Directors met four times during the reporting period. In terms of audit arrangements, whilst a separate Tydfil Training Consortium Audit Committee has not been established, all audit reports and reviews and other information relating to the company are formally received by the University of South Wales' Audit Committee which meets four times per year.

Based on the strategic plan, Tydfil Training Consortium Board undertakes a comprehensive review of the risks to which the College is exposed. Systems and procedures are reviewed and investigated, including specific preventative actions which should mitigate any potential impact on the Company. The internal controls are then implemented, and the subsequent year's appraisal will review effectiveness and progress against risk mitigation actions. In addition to the annual review, the leadership team will also consider any risks which may arise as a result of a new area of work being undertaken by Tydfil Training Consortium.

Tydfil Training Consortium will continue to explore alternative sources of income both in collaboration with partners and in its own right. This risk is mitigated in a number of ways:

- Funding derived through a number of direct contractual arrangements;
- By ensuring that Tydfil Training Consortium is rigorous in delivering high quality training and skills;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies and potential prime contractors; and
- Ensuring Tydfil Training Consortium is focused on those priority sectors which will continue to benefit from public funding.

**Dividends**

The company is limited by guarantee. The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2024 (2023 – £nil).

**Summary of the Structure of Corporate Governance**

Tydfil Training Consortium's Board of Directors comprises of members appointed in accordance with the Articles of Government. The Chair of the Board is separated from the role of the Chief Executive. Those matters specifically reserved to the Board for decision are set out in the Articles of Government. The Board

**Directors' report for the year ended 31 July 2024 (continued)**

holds to itself the responsibilities for the ongoing strategic direction, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management.

The Board meets four times a year and is represented on The College Merthyr Tydfil's Board of Directors and in the College's Executive Meetings. The College is represented at the University of South Wales Group Committees (Finance and Resources, Human Resources and Audit).

Tydfil Training Consortium is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the organisation has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2010. Its purpose is to help the reader of the annual report and financial statements understand how the principles have been applied. In the opinion of the Board, the organisation complies with all of the provisions of the Code, in so far as they apply to the sectors, and it has complied throughout the year ended 31 July 2024 and up to the date of signing the annual report and financial statements.

**Employees**

Applications for employment by disabled persons are always fully considered, taking into account the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues, and the appropriate training is arranged.

It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. To this end, Tydfil Training Consortium has attained the DWP "Disability Confident" accreditation at Level 2.

Consultation with employees or their representatives has been undertaken, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

The College Board considers recommendations in relation to the remuneration of the Chief Executive. In agreeing the Chief Executive's remuneration, consideration is given to a range of information in line with that pay policy for all employees of the company. This includes consideration of the following:

- Consumer Price Index / Inflation
- Sector Averages
- Affordability and alignment with remuneration of senior staff at the College

The Board is also cognisant of wider financial and delivery performance, specifically reports of progress against KPIs. The Board is also informed by the Chair of their appraisal of individual performance as it relates to company performance.

**Statement of Directors' responsibilities 31 July 2024**

The directors are responsible for preparing the Trustees' 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

**Directors' indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance. This was also in force at the date of approval of the annual report and financial statements.

**Provision of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Small Company Provisions**

This report has been prepared in accordance with the special provisions relating to Small Companies within Part 15 of the Companies Act 2006.

**Statement of Directors' responsibilities 31 July 2024 (continued)**

**Independent Auditors**

HaysMac LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**By order of the board**

*L. Fitzgerald*

**Company secretary**  
Mrs L C FitzGerald

## Independent auditor's report to the members of Tydfil Training Consortium Limited

### Opinion

We have audited the financial statements of Tydfil Training Consortium for the year ended 31 July 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on pages 8 & 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

Based on our understanding of the charitable company and the environment in which it operates, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as taxation legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

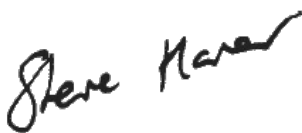
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steve Harper (Senior Statutory Auditor)  
For and on behalf of HaysMac LLP, Statutory Auditor  
Date: 29 November 2024

10 Queen Street Place  
London  
EC4R 1AG

## Statement of Financial Activities for the year ended 31 July 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total Funds £	2023 Total Funds £
<b>Income from:</b>					
Charitable Activities	2	2,071,859	-	2,071,859	1,692,096
Investments		33,959	-	33,959	-
<b>Total income</b>		<b>2,105,818</b>	<b>-</b>	<b>2,105,818</b>	<b>1,692,096</b>
<b>Expenditure on:</b>					
Charitable Activities	4 & 5	(1,844,992)	-	(1,844,992)	(1,648,205)
<b>Total expenditure</b>		<b>(1,844,992)</b>	<b>-</b>	<b>(1,844,992)</b>	<b>(1,648,205)</b>
<b>Net income</b>		<b>260,826</b>	<b>-</b>	<b>260,826</b>	<b>43,891</b>
<b>Other recognised gains/(losses):</b>					
Other gains/(losses)		3,961	-	3,961	-
<b>Net movement in funds</b>		<b>264,787</b>	<b>-</b>	<b>264,787</b>	<b>43,891</b>
<b>Reconciliation of Funds:</b>					
Total funds brought forward		1,281,247	1,600	1,282,847	1,238,956
<b>Total funds carried forward</b>		<b>1,546,034</b>	<b>1,600</b>	<b>1,547,634</b>	<b>1,282,847</b>

The notes on pages 16 to 24 form part of these Accounts.

## Balance Sheet as at 31 July 2024

		2024	2023
		£	£
	Note		
Property, plant and equipment	7	377,341	382,681
<b>Current assets</b>			
Debtors	8	230,446	204,887
Investments	9	927,899	
Cash at bank and in hand		270,513	1,012,431
		1,428,858	1,217,318
<b>Creditors</b>			
Amounts falling due within one year	10	(127,550)	(219,008)
<b>Net current assets</b>		1,301,308	998,310
<b>Creditors</b>			
Amounts falling due after one year	12	(131,015)	(98,144)
<b>Net Assets</b>		<b>1,547,634</b>	<b>1,282,847</b>
<b>Funds</b>			
Restricted Funds	15	1,600	1,600
Unrestricted Funds	15	1,546,034	1,281,247
<b>Total funds</b>		<b>1,547,634</b>	<b>1,282,847</b>

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

The financial statements on pages 13 to 24 were approved and authorised for issue by the Board of Directors and were signed on its behalf on that date by:



Mr Matthew Dicks  
Chair

Date: 18<sup>th</sup> November 2024

**Cash flow statement for the year ended 31 July 2024**

		2024	2023
	Note	£	£
<b>Cash flow from operating activities</b>			
Surplus for the financial year		264,787	43,891
<b>Operating surplus</b>		<b>264,787</b>	<b>43,891</b>
<b>Adjustment for non-cash items</b>			
Depreciation	7	35,566	32,569
Deferred capital grant release		(21,366)	(18,495)
(Increase) in Debtors	8	(25,559)	(3,446)
(Decrease)/Increase in Creditors	10,12	(37,221)	(187,004)
<b>Adjustment for investing or financing activities</b>			
Investment income		(33,959)	-
Profit on sale of fixed assets		(3,963)	
Capital grant income		(54,763)	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>123,522</b>	<b>(132,485)</b>
<b>Cash flow from investing activities</b>			
Capital grant receipts		54,763	-
Transfer cash to investments		(927,899)	
Investment income		33,959	
Proceeds from sale of fixed assets		5,000	
Payments made to acquire fixed assets		(31,263)	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(865,440)</b>	<b>-</b>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>(741,918)</b>	<b>(132,485)</b>
Cash and cash equivalents at beginning of the year		1,012,431	1,144,916
<b>Total cash and cash equivalents at end of year</b>		<b>270,513</b>	<b>1,012,431</b>

## Notes to the Accounts for the year ended 31 July 2024

### 1. Statement of Accounting policies

#### Basis of preparation

The financial statements of the charitable company, which is a public benefit entity, are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including the Charities SORP 2019 and FRS102: The Financial Standard applicable in the UK and Republic of Ireland. By exception, capital grants are accounted for under the Further and Higher Education SORP 2019, using the accruals model. This follows the accounting treatment adopted by the company's parent undertaking, Merthyr Tydfil College Limited and is considered appropriate and necessary to give a true and fair view of the entity's financial position as the company is part of a Higher Education Group. If the company had not chosen to depart from the Charities SORP, the balance of £150,037 in the balance sheet for FY24 would have been recognised as income at the time there was evidence of entitlement to the grant, receipt was probable and its amount could be measured reliably (FY23 £116,639).

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The charity reported a cash outflow of £741,918 during the period due to a transfer of cash to short term investment of £927,899. Forecasts for 2024/25 currently show an expected surplus of £67,106. The directors have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

On the basis that there are no material uncertainties, the directors are of a view that their actions to improve the surpluses within the company a being part of the University of South Wales group, the future of the company is secured and therefore on that basis is a going concern.

#### Income from charitable activities

Income from charitable activities, which excludes value added tax, represents the invoiced value of services provided during the year together with income from various Government grants. Income is recognised on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised in deferred income within the balance sheet as liabilities.

#### Government grants

Government grants in respect of income are credited to income from charitable activities in the period to which they relate. Capital grants are credited to a deferred capital grant account and are then released to the statement of financial activities over the useful lives of the assets to which they relate.

#### Foreign Currency

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date unless there is a contracted exchange rate. Exchange differences are taken into account in arriving at the operating profit.

#### Property, Plant and Equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is the purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The principal rates used for this purpose are:

Leasehold Property	Length of the Lease
Freehold Property	2% straight line basis
Equipment	33% straight line basis
Vehicles	25% reducing balance

**Notes to the Accounts for the year ended 31 July 2024 (continued)****Statement of Accounting Policies (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount paid after taking account of any discounts due.

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of a change in value.

**Investments**

Investments comprise cash equivalents on deposit and are measured at fair value.

**Creditors and Provisions**

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

**Pensions**

The company operates a defined contribution pension scheme in accordance with the auto enrolment guidelines. This is in addition to the contributions to stakeholder pensions on behalf of certain employees.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company are capitalised in the balance sheet, and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged as expenditure on a straight-line basis over the lease term.

**Taxation**

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There have been no significant judgements made during this financial year.

## Notes to the Accounts for the year ended 31 July 2024 (continued)

## 2. Income resources from activities

	2024 £	2023 £
Provision of vocational and Work Based learning	1,765,646	1,298,338
Other Income	10,616	26,355
Government Grants	295,597	367,403
<b>Total</b>	<b>2,071,859</b>	<b>1,692,096</b>

## 3. Staff Costs

	2024 £	2023 £
Salaries	926,280	790,986
Social security costs	82,681	54,633
Other Pension costs	14,025	21,547
<b>Total</b>	<b>1,022,986</b>	<b>867,166</b>

## Average staff numbers analysed by function

	2024 Number	2023 Number
Management	7	6
Delivery & Administration	27	27
<b>Total</b>	<b>34</b>	<b>33</b>

## Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities. Staff costs include remuneration paid to key management personnel.

	2024 £	2023 £
Key Management Personnel remuneration	187,860	173,923

## The number of employees who emoluments exceeded £60k was:

	2024	2023
80,000-90,000	1	1

**Notes to the Accounts for the year ended 31 July 2024 (continued)**

No payments have been made to or on behalf of the trustees except for Mr P Gray (Chief Executive Officer) whose remuneration is included in this Note. Per the Articles of the Company, the income and property of the Company shall be applied solely towards the promotion of the Objects and no part of that income or property may be paid, transferred or applied by way of Benefit to any Director except any Benefit provided under a contract of employment between the Company and the CEO. In addition, subject to the provisions of Article 11.2, the Board of Directors shall comprise the CEO (acting ex officio) and The Principal and the CEO shall each hold office as a Director for so long as they hold office as Principal of the Member and CEO of the Company respectively.

**4. Analysis of expenditure**

	<b>2024</b>	<b>2023</b>
	£	£
Trainee costs		
• Allowances & Expenses	138,441	57,563
• Training & Tuition Fees	183,217	135,737
• Travelling Expenses	4,457	1,535
Agency costs	-	47,791
Grant related expenditure	140,011	228,454
Staff Costs	1,022,986	867,166
Support Costs	355,880	309,959
<b>Total</b>	<b>1,844,992</b>	<b>1,648,205</b>

**5. Support Costs**

	<b>2024</b>	<b>2023</b>
	£	£
Management Fees	50,000	50,000
Repairs & maintenance	36,195	18,659
Professional fees & subscriptions	59,390	28,150
Utilities, Rent & Rates	39,184	47,418
Telephones	19,725	20,568
Insurance	5,428	5,767
Advertising	8,654	11,797
Printing & Stationery	12,821	11,441
Travel	12,417	16,477
Depreciation	35,566	32,569
Miscellaneous expenses	76,500	67,113
<b>Total</b>	<b>355,880</b>	<b>309,959</b>

**6. Profit on ordinary activities before taxation**

	<b>2024</b>	<b>2023</b>
	£	£
Profit on ordinary activities before taxation is stated after charging:		
External auditor's remuneration in respect of audit services	7,500	5,932

## Notes to the Accounts for the year ended 31 July 2024 (continued)

## 7. Property, plant, and equipment:

	Leasehold Property £	Freehold Property	General Equipment £	AUC £	Vehicles £	Total £
<b>Cost or valuation</b>						
At 1 August 2023	136,220	660,213	247,208	-	14,663	1,058,304
Additions			14,763	16,500		31,263
Disposals					(14,663)	(14,663)
<b>At 31 July 2024</b>	<b>136,220</b>	<b>660,213</b>	<b>261,971</b>	<b>16,500</b>	<b>-</b>	<b>1,074,904</b>
<b>Accumulated depreciation</b>						
At 1 August 2023	46,659	388,843	226,589	-	13,532	675,623
Charge for the year	2,771	15,218	17,483	-	94	35,566
Disposals				-	(13,626)	(13,626)
<b>At 31 July 2024</b>	<b>49,430</b>	<b>404,061</b>	<b>244,072</b>	<b>-</b>	<b>-</b>	<b>697,563</b>
<b>Net book value at 31 July 2024</b>	<b>86,790</b>	<b>256,152</b>	<b>17,899</b>	<b>16,500</b>	<b>-</b>	<b>377,341</b>
Net book value at 31 July 2023	89,561	271,370	20,619	-	1,131	382,681

## 8. Debtors

	2024 £	2023 £
Trade debtors	215,564	150,268
Amounts owed by group undertakings	2,125	46,180
Other debtors	1,500	-
Prepayments and accrued income	11,257	8,439
VAT	-	-
<b>Total</b>	<b>230,446</b>	<b>204,887</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand. It is expected that these amounts will be received within the next 12 months.

## Notes to the Accounts for the year ended 31 July 2024 (continued)

## 9. Investments

	2024 £	2023 £
HSBC investment	927,899	-
<b>Total</b>	<b>927,899</b>	<b>-</b>

## 10. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	9,610	4,705
Amounts owed to group undertakings	-	119,870
Deferred capital grants	19,022	18,495
Accruals and deferred income	68,974	59,033
Other payables	19,089	
VAT	10,855	16,904
<b>Total</b>	<b>127,550</b>	<b>219,007</b>

Amounts owing to group undertakings are unsecured, interest free and repayable on demand.

## 11. Deferred Income

	2024 £	2023 £
<b>Deferred income</b>		
Deferred income brought forward	37,226	243,910
Income deferred in current year	257,287	186,352
Amounts released in the year	(279,608)	(393,036)
<b>Deferred income carried forward</b>	<b>14,905</b>	<b>37,226</b>

## Notes to the Accounts for the year ended 31 July 2024 (continued)

## 12. Creditors: Amounts falling due after one year

	2024 £	2023 £
Deferred capital grants	131,015	98,144
<b>Total</b>	<b>131,015</b>	<b>98,144</b>

## 13. Amounts payable under operating lease obligations

	2024 £	2023 £
Lease obligations payable		
Payable during the year	4,302	5,410
Within two to five years	7,982	4,886
<b>Total</b>	<b>12,284</b>	<b>10,296</b>

£5,410 has been recognised as an expense in respect of lease obligations during the year (FY23 £5,410)

## 14. Commitments and contingencies

Provision has not been made for the following capital commitments at 31 July 2024:

	2024 £	2023 £
Commitments contracted for	16,000	-
<b>Total</b>	<b>16,000</b>	<b>-</b>

## Notes to the Accounts for the year ended 31 July 2024 (continued)

## 15. Reserves

2024

	Fund balances b/f £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances c/f £
Unrestricted fund	1,281,247	2,105,818	(1,844,992)	-	3,961	1,546,034
Restricted fund	1,600	-	-	-	-	1,600
<b>Total funds</b>	<b>1,282,847</b>	<b>2,105,818</b>	<b>(1,844,992)</b>	<b>-</b>	<b>3,961</b>	<b>1,547,634</b>

The restricted fund is made up of a donation received for scholarships paid from the Joe Jonathan Memorial.

2023

	Fund balances b/f £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances c/f £
Unrestricted fund	1,237,356	1,692,096	(1,648,205)	-	-	1,281,247
Restricted fund	1,600	-	-	-	-	1,600
<b>Total funds</b>	<b>1,238,956</b>	<b>1,692,096</b>	<b>(1,648,205)</b>	<b>-</b>	<b>-</b>	<b>1,282,847</b>

## Analysis of net assets between funds

	Unrestricted	Restricted	2024
Tangible fixed assets	377,341	-	377,341
Current assets	1,427,258	1,600	1,428,858
Current liabilities	(127,550)	-	(127,550)
Liabilities over 1 year	(131,015)	-	(131,015)
<b>Total</b>	<b>1,546,034</b>	<b>1,600</b>	<b>1,547,634</b>

	Unrestricted	Restricted	2023
Tangible fixed assets	382,681	-	382,681
Current assets	1,215,718	1,600	1,217,318
Current liabilities	(219,008)	-	(219,008)
Liabilities over 1 year	(98,144)	-	(98,144)
<b>Total</b>	<b>1,281,247</b>	<b>1,600</b>	<b>1,282,847</b>

**Notes to the Accounts for the year ended 31 July 2024 (continued)****16. Related Parties**

Tydfil Training Consortium is a wholly owned subsidiary of Merthyr College Limited and is included in the consolidated financial statements of the University of South Wales, which are publicly available from University of South Wales, Pontypridd, Rhondda Cynon Taff, CF329 1DL.

During the period, the company paid a £50,000 management fee to its immediate parent, Merthyr Tydfil College Ltd. There is also £2,125 included within trade debtors in respect of MTC Ltd as at the period end.

In addition, during the period TTC transferred £900,000 to its ultimate parent, the University of South Wales, which USW invested on its behalf. USW owes TTC £931,585 in respect of repayment of this investment and associated interest. The balance has been reflected in investments within TTC rather than intercompany debtors to provide a true and fair view of the financial position as at the year end.

There have been no other transactions with related parties within the year.

**17. Ultimate parent undertaking**

The immediate parent undertaking is Merthyr Tydfil College Limited (registered charity no. 1140289, Company registration no. 6671721), a Further Education Corporation. Merthyr Tydfil College Ltd controls the company by virtue that they can appoint directors to the board. The results of the company have been incorporated in the University of South Wales' (registered charity no. 1140312) consolidated financial statements, which forms the largest and smallest group for which the company's financial statements are consolidated and is the ultimate controlling party. Copies of the University's financial statements are available from the following address:

University of South Wales  
Pontypridd  
Rhondda Cynon Taff  
CF37 1DL

**TYDFIL TRAINING CONSORTIUM LIMITED**

England & Wales - Charity number 702622

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# Accounts

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**Tydfil Training Consortium Ltd**  
Limited by guarantee

**Annual Report and**  
**Financial Statements for the year ended 31 July 2023**

**Annual Report and Financial Statements for the year ended 31 July 2023**

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**Legal and administrative Information****Status**

The company was incorporated on 20 February 1990 as a company limited by guarantee (company number 02472331) and is registered as a charity (charity number 702622).

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected at the Annual General Meeting (AGM) to serve a period of three years, subject to ratification at each AGM. The directors of the company are its trustees for the purpose of charity law.

**Directors and Trustees**

The existing directors and those who held office during the year and up to the date of signing the annual report and financial statements are given below:

Mrs K N Burns (Chair)  
Mrs J A Bellamy (Appointed 1 August 2022)  
Ms K S Fowler  
Mr P Gray (Chief Executive Officer)  
Ms L M Thomas  
Cllr A R Whitcombe (resigned 21 July 2023)  
Mr A de Courcey (Appointed 1 August 2023)  
Mr M Dicks (Appointed 1 August 2023)  
Mr M O'Neill (Appointed 1 August 2023)

No payments have been made to or on behalf of the above except for Mr P Gray (Chief Executive Officer) whose remuneration is included in Note 3.

**Company Secretary**

Mrs L C FitzGerald

**Registered Office & Headquarters**

William Street Building, High Street, Merthyr Tydfil, CF47 8AP

**Independent Auditors**

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

**Solicitors**

JNP Legal, 1 High Street, Nelson, Merthyr Tydfil, CF46 6EU

**Bankers**

Barclays Bank plc, 47 High Street, Merthyr Tydfil, CF47 8DL

## Directors' report for the year ended 31 July 2023

The directors present their report and the audited financial statements of Tydfil Training Consortium Ltd, (known as 'the Company') for the year ended 31 July 2023. The financial statements have been prepared to comply with the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP)' and in accordance with applicable accounting standards.

### Principal activities

The charitable objects of Tydfil Training Consortium, Ltd are to support individuals and the community to achieve success in their educational, employability and enterprise goals in the South Wales area. The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. Tydfil Training Consortium Ltd (TTC) is a wholly owned subsidiary of The College Merthyr Tydfil, part of the University of South Wales Group and the principal activities are the provision of Work Based Learning and Employability opportunities as part of the Cardiff & Vale College Apprenticeship group and ACT JGW+ Consortium. Enterprise Support is delivered by MTEC (Merthyr Tydfil Enterprise Centre – a TTC Brand) under a funding agreement to Merthyr Tydfil County Borough Council, from January 2022 by the Community Regeneration Funding (CRF) Grant and from January 2023 via the Shared Prosperity Fund (SPF). Additionally, we deliver the Restart Programme, for Serco, contracting for The Department for Work & Pensions (DWP).

### Business review and future developments

During the year, the Board agreed an updated five-year strategic plan which articulates how Tydfil Training Consortium Ltd will develop. The 2022/23 financial year was Tydfil Training Consortium's fifth year of operation as a wholly owned subsidiary of the College Merthyr Tydfil. Tydfil Training Consortium's strategic priorities have been aligned to those of the college and are:

1. To become the highest performing training provider in Wales
2. To become known by employers for our innovation and responsiveness, with an offer that facilitates progression into apprenticeships, or for employers to enhance their skills.
3. Learners and staff will enjoy a safe, supportive and inclusive environment.
4. Support collaborative partnerships of local and regional stakeholders, leading to enhanced opportunity and progressions for all.
5. Have effective HR, financial and support strategies that facilitate growth, development and investment to provide inspirational, enthusiastic and passionate training and assessment.

### Results

The company's surplus for the year ended 31 July 2023 was £43,891 (2022: surplus £246,066).

The Companies cash and liquidity positions remained strong throughout the year, with year-end cash balances exceeding target with a healthy current ratio (current assets to current liabilities).

### Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash inflow of £552,755 during the period. Forecasts for 2023/24 currently show an expected surplus of £54,000. This represents a conservative estimate which has been made based on the continuing effects of the post pandemic environment, and changes to Welsh Government contracting processes (i.e. The Commission for Tertiary Education and Research - CTER) during the year of which the impact of this is unknown. The trustees have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

**Directors' report for the year ended 31 July 2023 (continued)**

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the charity is secured and therefore on that basis is a going concern.

Key Performance Indicators

The following two key performance indicators (KPIs) are relevant when assessing performance for the year. The KPI's are derived from the five-year Strategic plan and evaluated and reported against national comparators:

- i) Surplus: £43,981 (2022: surplus £246,066)
- iii) Current ratio: 5.6 (2022: 3.3)

Participant Engagement: Learner number in JGW+, Adult, Apprenticeship and Mtec Enterprise registration routes remains strong.

Quality: Learner outcomes remained strong when viewed against the circumstances and influence of post pandemic. Enterprise outcomes have been independently evaluated by Wavehill Consultancy.

Health & Safety: Tydfil Training Consortium, as part of its Work Based learning consortium received a grade of excellent. In addition to supporting internal arrangements, we have also grown the commercial training arm in respect to Health & Safety during the year.

Principal risks and uncertainties

Outlined below are the principal risks facing Tydfil Training Consortium. Not all the factors are wholly within our control. Other factors besides those listed below may also adversely affect the business and are included in our overarching risk register.

Post Covid-19 Pandemic

The impact of the coronavirus pandemic has created significant uncertainty and disruption in the economy and especially to the Worked Based Learning Sector (WBL). It brought many financial and operational challenges which we overcame. We aimed to mitigate risk through a focus on fundamentals of financial management ensuring sound cost management, whilst maintaining exceptional customer service.

Government funding

Tydfil Training Consortium relies considerably on continued Government funding. Our Apprenticeship contract renewed in August 2023, still with Cardiff & Vale College as the lead. Our new Traineeship provision now called JGW+ rolled out in April 2023. Recruitment and progression are monitored closely under the new contract requirements, once again with our partners at ACT. We continue to deliver the DWP Restart Programme for Serco. We were successful in our bid to deliver funding under the Shared Prosperity Fund commencing January 2023 supporting MTEC and Enterprise.

We have also been informed that we have been successful in our bid to operate the "Multiply" programme of support in 2023/24.

Financial risk management

Tydfil Training Consortium is committed to exhibiting best practice in all areas of financial risk management and corporate governance, fully adhering to the principles and policies set out in the Governance Code of Practice and General Principles.

Tydfil Training Consortium's Board of Directors is responsible for the system of internal control and for the financial risks. The register is regularly reviewed by senior management and the Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the organisation and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a scoring system that is consistent within the group Tydfil Training Consortium's risk management process is consolidated into the College Merthyr Tydfil (parent entity) whose internal control guidance adheres to the combined code as amended by the British Universities Finance Directors Group. As part of their induction new Directors are

**Directors' report for the year ended 31 July 2023 (continued)**

provided with an understanding of the charities policies and procedures and are offered ongoing training to ensure that their knowledge remains current.

Reserve Policy

Tydfil Training Consortium Ltd is aware of the need to secure its viability beyond the immediate future. As such, we recognise the importance of reserves in the financial stability of any organisation and ensure that there are adequate reserves to support its core activities and to invest for the future needs of our customers. The reserves which we retain can be categorised as follows:

Capital Reserves – To provide funds to meet the current and future capital spend requirements.

Strategic Reserve – To meet the cost requirements of strategic initiatives and growth as per our strategic plan.

It is our intention to continue to generate reserves through annual operating surpluses.

The Board of Directors met four times during the reporting period. In terms of audit arrangements, whilst a separate Tydfil Training Consortium Audit Committee has not been established, all audit reports and reviews and other information relating to the company are formally received by the University of South Wales' Audit Committee which meets four times per year.

Based on the strategic plan, Tydfil Training Consortium Board undertakes a comprehensive review of the risks to which the College is exposed. Systems and procedures are reviewed and investigated, including specific preventative actions which should mitigate any potential impact on the Company. The internal controls are then implemented, and the subsequent year's appraisal will review effectiveness and progress against risk mitigation actions. In addition to the annual review, the leadership team will also consider any risks which may arise as a result of a new area of work being undertaken by Tydfil Training Consortium.

Tydfil Training Consortium will continue to explore alternative sources of income both in collaboration with partners and in its own right. This risk is mitigated in a number of ways:

- Funding derived through a number of direct contractual arrangements;
- By ensuring that Tydfil Training Consortium is rigorous in delivering high quality training and skills;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies and potential prime contractors; and
- Ensuring Tydfil Training Consortium is focused on those priority sectors which will continue to benefit from public funding.

**Dividends**

The company is limited by guarantee. The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2023 (2022 – £nil).

**Summary of the Structure of Corporate Governance**

Tydfil Training Consortium's Board of Directors comprises of members appointed in accordance with the Articles of Government. The Chair of the Board is separated from the role of the Chief Executive. Those matters specifically reserved to the Board for decision are set out in the Articles of Government. The Board holds to itself the responsibilities for the ongoing strategic direction, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management.

The Board meets four times a year and is represented on The College Merthyr Tydfil's Board of Directors and in the College's Executive Meetings. The College is represented at the University of South Wales Group Committees (Finance and Resources, Human Resources and Audit).

Tydfil Training Consortium is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the organisation has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2010. Its purpose is to help

**Directors' report for the year ended 31 July 2023 (continued)**

the reader of the annual report and financial statements understand how the principles have been applied. In the opinion of the Board, the organisation complies with all of the provisions of the Code, in so far as they apply to the sectors, and it has complied throughout the year ended 31 July 2023 and up to the date of signing the annual report and financial statements.

**Employees**

Applications for employment by disabled persons are always fully considered, taking into account the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues, and the appropriate training is arranged.

It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. To this end, Tydfil Training Consortium has attained the DWP "Disability Confident" accreditation at Level 2.

Consultation with employees or their representatives has been undertaken, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

**Statement of Directors' responsibilities 31 July 2023**

The directors are responsible for preparing the Trustees' 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

**Directors' indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance.

This was also in force at the date of approval of the annual report and financial statements.

**Provision of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent Auditors**

KPMG LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**By order of the board**

**Company secretary**  
Mrs L C FitzGerald

**Independent auditor's report to the members of Tydfil Training Consortium Limited****Opinion**

We have audited the financial statements of Tydfil Training Consortium Limited ("the company") for the year ended 31 July 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect***Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors as to the company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

**Independent auditor's report to the members of Tydfil Training Consortium Limited  
(continued)**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the company wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on applying our professional judgement and incorporate an element of unpredictability and comparing the identified entries to supporting documentation.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and

**Independent auditor's report to the members of Tydfil Training Consortium Limited  
(continued)**

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

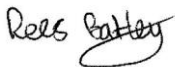
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Rees Batley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

20 December 2023

## Statement of Financial Activities for the year ended 31 July 2023 incorporating the income and expenditure account

	Note	2023	2022
		£	£
<b>Income from:</b>			
Charitable activities	2	1,692,096	2,085,607
<b>Total Income</b>	<b>6</b>	<b>1,692,096</b>	<b>2,085,607</b>
<b>Expenditure on:</b>			
Charitable activities	5	(1,648,205)	(1,839,541)
<b>Net Income for the period</b>		<b>43,891</b>	<b>246,066</b>

No tax was payable on the activities of the charity

The funds relate to unrestricted funds and there has been no movement in the restricted funds.

### Reconciliation of Funds

	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Total funds brought forward	1,237,356	1,600	<b>1,238,956</b>	992,890
Net movement of funds	43,891	-	<b>43,891</b>	<b>246,066</b>
<b>At 31 July</b>	<b>1,281,247</b>	<b>1,600</b>	<b>1,282,847</b>	<b>1,238,956</b>

The profit for the financial year, £43,891 (2022: £246,066) is dealt with in the statement of financial activities of Tydfil Training Consortium Ltd.

The restricted fund is made up of a donation received for scholarships paid from the Joe Jonathan Memorial.

The notes on pages 15 to 20 form part of these Accounts.

## Balance Sheet as at 31 July 2023

		2023	2022
		£	£
	Note		
Property, plant and equipment	7	382,681	415,249
<hr/>			
<b>Current assets</b>			
Debtors	8	204,887	201,441
Cash at bank and in hand		1,012,431	1,144,916
<hr/>			
		1,217,318	1,346,357
<b>Creditors</b>			
Amounts falling due within one year	9	(219,008)	(406,011)
<hr/>			
<b>Net current assets</b>		998,310	940,346
<b>Creditors</b>			
Amounts falling due after one year	10	(98,144)	(116,639)
<hr/>			
<b>Net Assets</b>		<b>1,282,847</b>	<b>1,238,956</b>
<hr/>			
<b>Funds</b>			
Restricted Funds		1,600	1,600
Unrestricted Funds		1,281,247	1,237,356
<hr/>			
<b>Total funds</b>		<b>1,282,847</b>	<b>1,238,956</b>

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

The accounts on pages 12 to 20 were approved by the Board of Directors on 19<sup>th</sup> October 2023 and were signed on its behalf on that date by:

*Katy Burns.*

Mrs K N Burns  
Chair

## Cash flow statement for the year ended 31 July 2023

		2023	2022
	Note	£	£
<b>Cash flow from operating activities</b>			
Surplus for the financial year		43,891	246,066
<b>Operating surplus</b>		<b>43,891</b>	<b>246,066</b>
<b>Adjustment for non-cash items</b>			
Depreciation	7	32,569	26,278
Deferred capital grant release		(18,495)	(12,424)
(Increase) in Debtors	8	(3,446)	(33,340)
(Decrease)/Increase in Creditors	9,10	(187,004)	326,175
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(132,485)</b>	<b>552,755</b>
<b>Cash flow from investing activities</b>			
Capital grant receipts		-	42,608
Payments made to acquire fixed assets	13	-	(42,608)
<b>Net cash inflow from investing activities</b>		<b>-</b>	<b>-</b>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>(132,485)</b>	<b>552,755</b>
Cash and cash equivalents at beginning of the year		1,144,916	592,161
<b>Total cash and cash equivalents at end of year</b>		<b>1,012,431</b>	<b>1,144,916</b>

**Notes to the Accounts for the year ended 31 July 2023****1. Statement of Accounting policies****Basis of preparation**

The financial statements of the charitable company, which is a public benefit entity are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including the Charities SORP 2019 and FRS102: The Financial Standard applicable in the UK and Republic of Ireland. By exception, capital grants are accounted for under the Further and Higher Education SORP 2019, using the accruals model. This follows the accounting treatment adopted by the company's parent undertaking, Merthyr Tydfil College Limited. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

**Going concern**

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash outflow of £552,755 during the period. Forecasts for 2023/24 currently show an expected surplus of £54,000. The trustees have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the charity is secured and therefore on that basis is a going concern.

**Income from charitable activities**

Income from charitable activities, which excludes value added tax, represents the invoiced value of services provided during the year together with income from various Government grants. Income is recognised on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised in deferred income within the balance sheet as liabilities.

**Government grants**

Government grants in respect of income are credited to income from charitable activities in the period to which they relate. Capital grants are credited to a deferred capital grant account and are then released to the statement of financial activities over the useful lives of the assets to which they relate.

**Foreign Currency**

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date unless there is a contracted exchange rate. Exchange differences are taken into account in arriving at the operating profit.

**Property, Plant and Equipment**

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is the purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The principal rates used for this purpose are:

Leasehold Property	Length of the Lease
Freehold Property	2% straight line basis
Equipment	33% straight line basis
Vehicles	25% reducing balance

**Notes to the Accounts for the year ended 31 July 2023 (continued)****Statement of Accounting Policies (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount paid after taking account of any discounts due.

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of a change in value.

**Creditors and Provisions**

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

**Pensions**

The company operates a defined contribution pension scheme in accordance with the auto enrolment guidelines. This is in addition to the contributions to stakeholder pensions on behalf of certain employees.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet, and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged as expenditure on a straight-line basis over the lease term.

**Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There have been no significant judgements made during this financial year.

## Notes to the Accounts for the year ended 31 July 2023 (continued)

## 2. Income resources from activities

	2023 £	2022 £
Provision of vocational and Work Based learning	1,298,338	1,774,111
Other Income	26,355	14,785
Government Grants	367,403	296,711
<b>Total</b>	<b>1,692,096</b>	<b>2,085,607</b>

## 3. Staff Costs

	2023 £	2022 £
Salaries	790,986	750,487
Social security costs	54,633	60,448
Other Pension costs	21,547	20,687
<b>Total</b>	<b>867,166</b>	<b>831,622</b>

## Average staff numbers analysed by function

	2023 Number	2022 Number
Management	6	5
Delivery & Administration	27	28
<b>Total</b>	<b>33</b>	<b>33</b>

## Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities. Staff costs includes remuneration paid to key management personnel.

	2023 £	2022 £
Key Management Personnel remuneration	173,923	148,321

No payments have been made to or on behalf of the trustees except for Mr P Gray (Chief Executive Officer) whose remuneration is included in this Note.

## Notes to the Accounts for the year ended 31 July 2023 (continued)

## 4. Analysis of expenditure

	2023 £	2022 £
Trainee costs		
• Allowances & Expenses	57,563	55,670
• Training & Tuition Fees	135,737	279,826
• Travelling Expenses	1,535	1,878
Agency costs	47,791	232,102
Grant related expenditure	228,454	149,083
Management Fees	50,000	50,000
Repairs & maintenance	18,659	32,170
Professional fees & subscriptions	28,150	26,136
Utilities, Rent & Rates	47,418	61,795
Telephones	20,568	10,755
Insurance	5,767	3,835
Advertising	11,797	5,435
Printing & Stationery	11,441	9,012
Travel	16,477	12,646
Depreciation	32,569	26,278
Miscellaneous expenses	67,113	51,298
<b>Total</b>	<b>781,039</b>	<b>1,007,919</b>

## 5. Cost of Sales

	2023 £	2022 £
Staff Costs	867,166	831,622
Other Expenditure	781,039	1,007,919
<b>Total</b>	<b>1,648,205</b>	<b>1,839,541</b>

## 6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:	2023 £	2022 £
External auditor's remuneration in respect of audit services	5,932	3,730

## Notes to the Accounts for the year ended 31 July 2023 (continued)

## 7. Property, plant, and equipment:

	Leasehold Property £	Freehold Property	General Equipment £	Vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2022	136,220	660,213	247,208	14,663	1,058,304
<b>At 31 July 2023</b>	<b>136,220</b>	<b>660,213</b>	<b>247,208</b>	<b>14,663</b>	<b>1,058,304</b>
<b>Accumulated depreciation</b>					
At 1 August 2022	43,888	373,625	212,386	13,155	643,054
Charge for the year	2,771	15,218	14,203	377	32,569
<b>At 31 July 2023</b>	<b>46,659</b>	<b>388,843</b>	<b>226,589</b>	<b>13,532</b>	<b>675,623</b>
<b>Net book value at 31 July 2023</b>	<b>89,561</b>	<b>271,370</b>	<b>20,619</b>	<b>1,131</b>	<b>382,681</b>
Net book value at 31 July 2022	92,332	286,588	34,822	1,508	415,250

## 8. Debtors

	2023 £	2022 £
Trade debtors	150,268	136,775
Amounts owed by group undertakings	46,180	56,151
Other debtors	-	1,250
Prepayments and accrued income	8,439	7,265
VAT	-	-
<b>Total</b>	<b>204,887</b>	<b>201,441</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand. It is expected that these amounts will be received within the next 12 months.

## 9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	4,705	8,781
Amounts owed to group undertakings	119,870	86,012
Deferred capital grants	18,495	18,495
Accruals and deferred income	59,033	273,986
VAT	16,904	18,737
<b>Total</b>	<b>219,007</b>	<b>406,011</b>

Amounts owing to group undertakings are unsecured, interest free and repayable on demand.

**Notes to the Accounts for the year ended 31 July 2023 (continued)****10. Creditors: Amounts falling due after one year**

	<b>2023</b>	<b>2022</b>
	£	£
Deferred capital grants	98,144	116,639
<b>Total</b>	<b>98,144</b>	<b>116,639</b>

**11. Amounts payable under operating lease obligations**

	<b>2023</b>	<b>2022</b>
	£	£
Lease obligations payable		
Payable during the year	5,410	5,647
Within two to five years	4,886	8,748
<b>Total</b>	<b>10,296</b>	<b>14,395</b>

**12. Commitments and contingencies**

There were no material contingencies or capital commitments at 31 July 2023 or 31 July 2022.

**13. Related Parties**

Tydfil Training Consortium is a wholly owned subsidiary of Merthyr College Limited and is included in the consolidated financial statements of the University of South Wales, which are publicly available from University of South Wales, Pontypridd, Rhondda Cynon Taff, CF329 1DL. The company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the University of South Wales. There have been no other related party transactions that have not formed part of the University of South Wales Group Financial Statements.

All transactions involving organisations in which a member of the Board may have an interest, are conducted in accordance with the Company's financial regulations and normal procurement procedures. The University of South Wales maintains a Register of Interests for members of the Board.

**14. Ultimate parent undertaking**

The immediate parent undertaking is Merthyr Tydfil College Limited, a Further Education Corporation. Merthyr Tydfil College Ltd control the charity by virtue that they can appoint trustees to the board. The results of the company have been incorporated in the University of South Wales' consolidated financial statements, which forms the largest and smallest group for which the company's financial statements are consolidated and is the ultimate controlling party. Copies of the University's financial statements are available from the following address:

University of South Wales  
Pontypridd  
Rhondda Cynon Taff  
CF37 1DL

**TYDFIL TRAINING CONSORTIUM LIMITED**

England & Wales - Charity number 702622

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# Accounts

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**Tydfil Training Consortium Ltd**  
Limited by guarantee

**Annual Report and**  
**Financial Statements for the year ended**  
**31 July 2022**

**Annual Report and Financial Statements for the year ended 31 July 2022**

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**Legal and administrative Information****Status**

The company was incorporated on 20 February 1990 as a company limited by guarantee (company number 02472331) and is registered as a charity (charity number 702622).

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected at the Annual General Meeting (AGM) to serve a period of three years, subject to ratification at each AGM. The directors of the company are its trustees for the purpose of charity law.

**Directors and Trustees**

The existing directors and those who held office during the year and up to the date of signing the annual report and financial statements are given below:

Mrs K N Burns (Chair)  
Mr A R Whitcombe  
Ms C J Thomas (Resigned 10 May 2022)  
Mrs J A Bellamy (Appointed 1 August 2022)  
Ms K S Fowler  
Ms L M Thomas  
Mr P Gray (Chief Executive Officer)

No payments have been made to or on behalf of the above except for Mr P Gray (Chief Executive Officer) whose remuneration is included in Note 3.

**Company Secretary**

Dr G E Taylor (nee Jones) (Resigned 31 December 2021)  
Mrs L C FitzGerald (Appointed 6 January 2022)

**Registered Office & Headquarters**

William Street Building, High Street, Merthyr Tydfil, CF47 8AP

**Independent Auditors**

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

**Solicitors**

JNP Legal, 1 High Street, Nelson, Merthyr Tydfil, CF46 6EU

**Bankers**

Barclays Bank plc, 47 High Street, Merthyr Tydfil, CF47 8DL

## Directors' report for the year ended 31 July 2022

The directors present their report and the audited financial statements of Tydfil Training Consortium Ltd, (known as 'the Company') for the year ended 31 July 2022. The financial statements have been prepared to comply with the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP)' and in accordance with applicable accounting standards.

### Principal activities

The charitable objects of Tydfil Training Consortium, Ltd are to support individuals and the community to achieve success in their educational, employability and enterprise goals in the South Wales area.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Tydfil Training Consortium Ltd (TTC) is a wholly owned subsidiary of The College Merthyr Tydfil, part of the University of South Wales Group and the principal activities are the provision of Work Based Learning and Employability opportunities as part of the QSA (Cardiff & Vale College) Apprenticeship group and ACT JGW+ Consortium. Additionally, Enterprise Support is delivered jointly under a service level agreement to Merthyr Tydfil County Borough Council and includes, from January 22 Community Regeneration Funding Grant and Wales Council for Voluntary Action (WCVA) Active Inclusion Fund for the Merthyr Tydfil Enterprise Centre (MTEC), operated by TTC. Additionally, we deliver the Restart Programme, for Serco, contracting for The Department for Work & Pensions (DWP).

### Business review and future developments

During the year, the Board agreed an updated five-year strategic plan which articulates how Tydfil Training Consortium Ltd will develop. The 2021/22 financial year was Tydfil Training Consortium's fourth year of operation as a wholly owned subsidiary of the College Merthyr Tydfil. Tydfil Training Consortium's strategic priorities have been aligned to those of the college and are:

1. To become the highest performing training provider in Wales
2. To become known by employers for our innovation and responsiveness, with an offer that facilitates progression into apprenticeships, or for employers to enhance their skills.
3. Learners and staff will enjoy a safe, supportive and inclusive environment.
4. Support collaborative partnerships of local and regional stakeholders, leading to enhanced opportunity and progressions for all.
5. Have effective HR, financial and support strategies that facilitate growth, development and investment to provide inspirational, enthusiastic and passionate training and assessment.

### Results

The company's surplus for the year ended 31 July 2022 was £246,066 (2021: surplus £188,019).

The Companies cash and liquidity positions remained strong throughout the year, with year-end cash balances exceeding target with a healthy current ratio (current assets to current liabilities).

### Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash inflow of £552,755 during the period. Forecasts for 2022/23 currently show an expected surplus of £41,000. This represents a conservative estimate which has been made based on the continuing effects of the pandemic and changes to Welsh Government contracts during the year of which the impact of this is unknown. The trustees have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

**Directors' report for the year ended 31 July 2022 (continued)**

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the charity is secured and therefore on that basis is a going concern.

Key Performance Indicators

The following two key performance indicators (KPIs) are relevant when assessing performance for the year. The KPI's are derived from the five-year Strategic plan and evaluated and reported against national comparators:

i) Surplus: £246,066 (2021: surplus £188,019)

iii) Current ratio: 3.3 (2021: 10.9)

Participant Engagement: Learner number in JGW+, Adult, Apprenticeship and Mtec Enterprise registration routes remains strong.

Quality: Learner outcomes remained strong when viewed against the circumstances and influence of post pandemic. Enterprise outcomes have been independently evaluated by Wavehill Consultancy.

Health & Safety: Tydfil Training Consortium, as part of its Work Based learning consortium received a grade of excellent. In addition to supporting internal arrangements, we have also grown the commercial training arm in respect to Health & Safety during the year.

Principal risks and uncertainties

Outlined below are the principal risks facing Tydfil Training Consortium. Not all the factors are wholly within our control. Other factors besides those listed below may also adversely affect the business and are included in our overarching risk register.

Post Covid-19 Pandemic

The impact of the coronavirus pandemic has created significant uncertainty and disruption in the economy and especially to the Worked Based Learning Sector (WBL). It brought many financial and operational challenges which we overcame. We aimed to mitigate risk through a focus on fundamentals of financial management ensuring sound cost management, whilst maintaining exceptional customer service.

Government funding

Tydfil Training Consortium relies considerably on continued Government funding. Our Apprenticeship contract renewed in August 2021, still with Cardiff & Vale College as the lead. Our new Traineeship provision now called JGW+ rolled out in April 2022. Recruitment and progression are monitored closely under the new contract requirements, once again with our partners at ACT. We continue to deliver the DWP Restart Programme for Serco. We were successful in our bid to deliver funding under Community Regeneration Fund commencing January 2022 supporting Mtec and Enterprise.

Financial risk management

Tydfil Training Consortium is committed to exhibiting best practice in all areas of financial risk management and corporate governance, fully adhering to the principles and policies set out in the Governance Code of Practice and General Principles.

Tydfil Training Consortium's Board of Directors is responsible for the system of internal control and for the financial risks. The register is regularly reviewed by senior management and the Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the organisation and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a scoring system that is consistent within the group Tydfil Training Consortium's risk management process is consolidated into the College Merthyr Tydfil (parent entity) whose internal control guidance adheres to the combined code as amended by the British Universities Finance Directors Group. As part of their induction new Directors are provided with an understanding of the charities policies and procedures and are offered ongoing training to ensure that their knowledge remains current.

**Directors' report for the year ended 31 July 2022 (continued)**Reserve Policy

Tydfil Training Consortium Ltd is aware of the need to secure its viability beyond the immediate future. As such, we recognise the importance of reserves in the financial stability of any organisation and ensure that there are adequate reserves to support its core activities and to invest for the future needs of our customers. The reserves which we retain can be categorised as follows:

Capital Reserves – To provide funds to meet the current and future capital spend requirements.

Strategic Reserve – To meet the cost requirements of strategic initiatives and growth as per our strategic plan.

It is our intention to continue to generate reserves through annual operating surpluses.

The Board of Directors met four times during the reporting period. In terms of audit arrangements, whilst a separate Tydfil Training Consortium Audit Committee has not been established, all audit reports and reviews and other information relating to the company are formally received by the University of South Wales' Audit Committee which meets four times per year.

Based on the strategic plan, Tydfil Training Consortium Board undertakes a comprehensive review of the risks to which the College is exposed. Systems and procedures are reviewed and investigated, including specific preventative actions which should mitigate any potential impact on the Company. The internal controls are then implemented, and the subsequent year's appraisal will review effectiveness and progress against risk mitigation actions. In addition to the annual review, the leadership team will also consider any risks which may arise as a result of a new area of work being undertaken by Tydfil Training Consortium.

Tydfil Training Consortium will continue to explore alternative sources of income both in collaboration with partners and in its own right. This risk is mitigated in a number of ways:

- Funding derived through a number of direct contractual arrangements;
- By ensuring that Tydfil Training Consortium is rigorous in delivering high quality training and skills;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies and potential prime contractors; and
- Ensuring Tydfil Training Consortium is focused on those priority sectors which will continue to benefit from public funding.

**Dividends**

The company is limited by guarantee. The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2022 (2021 – £nil).

**Summary of the Structure of Corporate Governance**

Tydfil Training Consortium's Board of Directors comprises of members appointed in accordance with the Articles of Government. The Chair of the Board is separated from the role of the Chief Executive. Those matters specifically reserved to the Board for decision are set out in the Articles of Government. The Board holds to itself the responsibilities for the ongoing strategic direction, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management.

The Board meets four times a year and is represented on The College Merthyr Tydfil's Board of Directors and in the College's Executive Meetings. The College is represented at the University of South Wales Group Committees (Finance and Resources, Human Resources and Audit).

Tydfil Training Consortium is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the organisation has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2010. Its purpose is to help the reader of the annual report and financial statements understand how the principles have been applied. In the opinion of the Board, the organisation complies with all of the provisions of the Code, in so far as they apply to the sectors, and it has complied throughout the year ended 31 July 2022 and up to the date of signing the annual report and financial statements.

**Directors' report for the year ended 31 July 2022 (continued)**

**Employees**

Applications for employment by disabled persons are always fully considered, taking into account the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues, and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not

suffer from a disability. To this end, Tydfil Training Consortium has attained the DWP "Disability Confident" accreditation at Level 2.

Consultation with employees or their representatives has been undertaken, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

**Statement of Directors' responsibilities 31 July 2022**

The directors are responsible for preparing the Trustees' 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

**Directors' indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance.

This was also in force at the date of approval of the annual report and financial statements.

**Provision of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent Auditors**

KPMG LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**By order of the board**

  
**Company secretary**  
Mrs L C FitzGerald

## Independent auditor's report to the members of Tydfil Training Consortium Limited

### Opinion

We have audited the financial statements of the Tydfil Training Consortium Limited ("the charitable company") for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Reconciliation of Funds, the Balance Sheet, the Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors as to the company's high-level policies and procedures to prevent and detect fraud and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong financial period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals made to unrelated accounts, those made to unusual or seldom-used accounts, entries containing particular words in the description and postings made by individuals who do not typically make journal entries.
- Inspecting cash receipts in the period prior to and following 31 July 2022 to verify revenue had been recognised in the correct accounting period.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), from inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), charities legislation, distributable profits legislation, taxation legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The directors are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the charitable 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

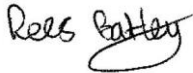
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Independent auditor's report to the members of Tydfil Training Consortium Limited  
(continued)**

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charitable 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Rees Batley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

20 January 2023

## Statement of Financial Activities for the year ended 31 July 2022 incorporating the income and expenditure account

	Note	2022	2021
		£	£
<b>Income from:</b>			
Charitable activities	2	2,085,607	1,391,224
<b>Total Income</b>	<b>6</b>	<b>2,085,607</b>	<b>1,391,224</b>
<b>Expenditure on:</b>			
Charitable activities	5	(1,839,541)	(1,203,205)
<b>Net Income for the period</b>		<b>246,066</b>	<b>188,019</b>

No tax was payable on the activities of the charity

The funds relate to unrestricted funds and there has been no movement in the restricted funds.

**Reconciliation of Funds**

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Total funds brought forward	991,290	1,600	<b>992,890</b>	804,871
Net movement of funds	246,066	-	<b>246,066</b>	<b>188,019</b>
<b>At 31 July</b>	<b>1,237,356</b>	<b>1,600</b>	<b>1,238,956</b>	<b>992,890</b>

The profit for the financial year, £246,066 (2021: £188,019) is dealt with in the statement of financial activities of Tydfil Training Consortium Ltd.

The restricted fund is made up of a donation received for scholarships paid from the Joe Jonathan Memorial.

The notes on pages 16 to 21 form part of these Accounts.

## Balance Sheet as at 31 July 2022

		2022	2021
		£	£
	Note		
Property, plant and equipment	7	415,249	398,919
		415,249	398,919
<b>Current assets</b>			
Debtors	8	201,441	168,101
Cash at bank and in hand		1,144,916	592,161
		1,346,357	760,262
<b>Creditors</b>			
Amounts falling due within one year	9	(406,011)	(69,371)
<b>Net current assets</b>		940,346	690,891
<b>Creditors</b>			
Amounts falling due after one year	10	(116,639)	(96,920)
<b>Net Assets</b>		<b>1,238,956</b>	<b>992,890</b>
<b>Funds</b>			
Restricted Funds		1,600	1,600
Unrestricted Funds		1,237,356	991,290
<b>Total funds</b>		<b>1,238,956</b>	<b>992,890</b>

The accounts on pages 13 to 21 were approved by the Board of Directors on 20<sup>th</sup> January 2023 and were signed on its behalf on that date by:

*Katy Burns.*

Mrs K N Burns  
Chairman

## Cash flow statement for the year ended 31 July 2022

		2022	2021
	Note	£	£
<b>Cash flow from operating activities</b>			
Surplus for the financial year		246,066	188,019
<b>Operating surplus</b>		<b>246,066</b>	<b>188,019</b>
<b>Adjustment for non-cash items</b>			
Depreciation	7	26,278	18,660
Deferred capital grant release		(12,424)	-
Increase in Debtors	8	(33,340)	(10,699)
Increase/(Decrease) in Creditors	9,10	326,175	(55,691)
<b>Net cash inflow from operating activities</b>		<b>552,755</b>	<b>140,289</b>
<b>Cash flow from investing activities</b>			
Capital grant receipts		42,608	-
Payments made to acquire fixed assets	13	(42,608)	-
<b>Net cash inflow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>552,755</b>	<b>140,289</b>
Cash and cash equivalents at beginning of the year		592,161	451,872
<b>Total cash and cash equivalents at end of year</b>		<b>1,144,916</b>	<b>592,161</b>

**Notes to the Accounts for the year ended 31 July 2022****1. Statement of Accounting policies****Basis of preparation**

The financial statements of the charitable company, which is a public benefit entity are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including the Charities SORP 2019 and FRS102: The Financial Standard applicable in the UK and Republic of Ireland. By exception, capital grants are accounted for under the Further and Higher Education SORP 2019, using the accruals model. This follows the accounting treatment adopted by the company's parent undertaking, Merthyr Tydfil College Limited. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

**Going concern**

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash inflow of £552,755 during the period. Forecasts for 2022/23 currently show an expected surplus of £41,000. This represents a conservative estimate which has been made based on the continuing effects of the pandemic and changes to Welsh Government contracts during the year of which the impact of this is unknown. The trustees have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the charity is secured and therefore on that basis is a going concern.

**Income from charitable activities**

Income from charitable activities, which excludes value added tax, represents the invoiced value of services provided during the year together with income from various Government grants. Income is recognised on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised in deferred income within the balance sheet as liabilities.

**Government grants**

Government grants in respect of income are credited to income from charitable activities in the period to which they relate. Capital grants are credited to a deferred capital grant account and are then released to the statement of financial activities over the useful lives of the assets to which they relate.

**Foreign Currency**

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date unless there is a contracted exchange rate. Exchange differences are taken into account in arriving at the operating profit.

**Property, Plant and Equipment**

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is the purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The principal rates used for this purpose are:

Leasehold Property	Length of the Lease
Freehold Property	2% straight line basis
Equipment	33% straight line basis
Vehicles	25% reducing balance

**Notes to the Accounts for the year ended 31 July 2022 (continued)****Statement of Accounting Policies (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount paid after taking account of any discounts due.

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of a change in value.

**Creditors and Provisions**

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

**Pensions**

The company operates a defined contribution pension scheme in accordance with the auto enrolment guidelines. This is in addition to the contributions to stakeholder pensions on behalf of certain employees.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet, and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged as expenditure on a straight-line basis over the lease term.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## Notes to the Accounts for the year ended 31 July 2022 (continued)

## 2. Income resources from activities

	2022 £	2021 £
Provision of vocational and Work Based learning	1,774,111	1,358,074
Other Income	14,785	33,150
Government Grants	296,711	-
<b>Total</b>	<b>2,085,607</b>	<b>1,391,224</b>

## 3. Staff Costs

	2022 £	2021 £
Salaries	750,487	653,091
Social security costs	60,448	51,197
Other Pension costs	20,687	18,580
<b>Total</b>	<b>831,622</b>	<b>722,868</b>

## Average staff numbers analysed by function

	2022 Number	2021 Number
Management	5	5
Delivery & Administration	28	27
<b>Total</b>	<b>33</b>	<b>32</b>

## Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities. Staff costs includes remuneration paid to key management personnel.

	2022 £	2021 £
Key Management Personnel remuneration	148,321	133,110

No payments have been made to or on behalf of the trustees except for Mr P Gray (Chief Executive Officer) whose remuneration is included in this Note.

## Notes to the Accounts for the year ended 31 July 2022 (continued)

## 4. Analysis of expenditure

	2022 £	2021 £
Trainee costs		
• Allowances & Expenses	55,670	113,664
• Training & Tuition Fees	279,826	135,720
• Travelling Expenses	1,878	956
Agency costs	232,102	-
Grant related expenditure	149,083	-
Management Fees	50,000	50,000
Repairs & maintenance	32,170	20,840
Professional fees & subscriptions	26,136	27,600
Utilities, Rent & Rates	61,795	56,048
Telephones	10,755	9,616
Insurance	3,835	3,286
Advertising	5,435	5,439
Printing & Stationery	9,012	8,033
Travel	12,646	3,616
Depreciation	26,278	18,660
Miscellaneous expenses	51,298	26,859
<b>Total</b>	<b>1,007,919</b>	<b>480,337</b>

## 5. Cost of Sales

	2022 £	2021 £
Staff Costs	831,622	722,868
Other Expenditure	1,007,919	480,337
<b>Total</b>	<b>1,839,541</b>	<b>1,203,205</b>

## 6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:	2022 £	2021 £
External auditor's remuneration in respect of audit services	3,730	3,552

## Notes to the Accounts for the year ended 31 July 2022 (continued)

## 7. Property, plant, and equipment:

	Leasehold Property £	Freehold Property	General Equipment £	Vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2021	136,220	660,213	204,600	14,663	1,015,696
Additions	-	-	42,608	-	42,608
<b>At 31 July 2022</b>	<b>136,220</b>	<b>660,213</b>	<b>247,208</b>	<b>14,663</b>	<b>1,058,304</b>
<b>Accumulated depreciation</b>					
At 1 August 2021	41,117	358,407	204,600	12,653	616,777
Charge for the year	2,771	15,218	7,786	503	26,278
<b>At 31 July 2022</b>	<b>43,888</b>	<b>373,625</b>	<b>212,386</b>	<b>13,156</b>	<b>643,055</b>
<b>Net book value at 31 July 2022</b>	<b>92,332</b>	<b>286,588</b>	<b>34,822</b>	<b>1,507</b>	<b>415,249</b>
Net book value at 31 July 2021	95,103	301,806	-	2,010	398,919

## 8. Debtors

	2022 £	2021 £
Trade debtors	136,775	137,130
Amounts owed by group undertakings	56,151	20,009
Other debtors	1,250	2,750
Prepayments and accrued income	7,265	6,987
VAT	-	1,225
<b>Total</b>	<b>201,441</b>	<b>168,101</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand. It is expected that these amounts will be received within the next 12 months.

## 9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	8,781	3,015
Amounts owed to group undertakings	86,012	10,935
Deferred capital grants	18,495	4,292
Accruals and deferred income	273,986	47,113
Other taxes and social security	-	4,016
VAT	18,737	-
<b>Total</b>	<b>406,011</b>	<b>69,371</b>

Amounts owing to group undertakings are unsecured, interest free and repayable on demand.

**Notes to the Accounts for the year ended 31 July 2022 (continued)****10. Creditors: Amounts falling due after one year**

	<b>2022</b>	<b>2021</b>
	£	£
Deferred capital grants	116,639	96,920
<b>Total</b>	<b>116,639</b>	<b>96,920</b>

**11. Amounts payable under operating lease obligations**

	<b>2022</b>	<b>2021</b>
	£	£
Lease obligations payable		
Payable during the year	5,647	5,063
Within two to five years	8,748	8,748
<b>Total</b>	<b>14,395</b>	<b>13,811</b>

**12. Commitments and contingencies**

There were no material contingencies or capital commitments at 31 July 2022 or 31 July 2021.

**13. Related Parties**

Tydfil Training Consortium is a wholly owned subsidiary of Merthyr College Limited and is included in the consolidated financial statements of the University of South Wales, which are publicly available from University of South Wales, Pontypridd, Rhondda Cynon Taff, CF329 1DL. The company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the University of South Wales. There have been no other related party transactions that have not formed part of the University of South Wales Group Financial Statements.

All transactions involving organisations in which a member of the Board may have an interest, are conducted in accordance with the Company's financial regulations and normal procurement procedures. The University of South Wales maintains a Register of Interests for members of the Board.

**14. Ultimate parent undertaking**

The immediate parent undertaking is Merthyr Tydfil College Limited, a Further Education Corporation. Merthyr Tydfil College Ltd control the charity by virtue that they can appoint trustees to the board. The results of the company have been incorporated in the University of South Wales' consolidated financial statements, which forms the largest and smallest group for which the company's financial statements are consolidated and is the ultimate controlling party. Copies of the University's financial statements are available from the following address:

University of South Wales  
Pontypridd  
Rhondda Cynon Taff  
CF37 1DL

**TYDFIL TRAINING CONSORTIUM LIMITED**

England & Wales - Charity number 702622

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# Accounts

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**Tydfil Training Consortium Ltd**  
Limited by guarantee

**Annual Report and**  
**Financial Statements for the year ended**  
**31 July 2021**

**Annual Report and Financial Statements for the year ended 31 July 2021**

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**Legal and administrative Information****Status**

The company was incorporated on 20 February 1990 as a company limited by guarantee (company number 02472331) and is registered as a charity (charity number 702622).

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected at the Annual General Meeting (AGM) to serve a period of three years, subject to ratification at each AGM. The directors of the company are its trustees for the purpose of charity law.

**Directors and Trustees**

The existing directors and those who held office during the year and up to the date of signing the annual report and financial statements are given below:

Mrs K N Burns (Chair)  
Mr A R Whitcombe (appointed 19 February 2021)  
Ms C J Thomas  
Ms K S Fowler  
Ms L M Thomas  
Mr P Gray (Chief Executive Officer)

No payments have been made to or on behalf of the above except for Mr P Gray (Chief Executive Officer) whose remuneration is included in Note 3.

**Company Secretary**

Dr G E Taylor (nee Jones)

**Registered Office & Headquarters**

William Street Building, High Street, Merthyr Tydfil, CF47 8AP

**Independent Auditors**

KPMG LLP, 3 Assembly Square, Britannia Quay, Cardiff, CF10 4AX

**Solicitors**

JNP Legal, 1 High Street, Nelson, Merthyr Tydfil, CF46 6EU

**Bankers**

Barclays Bank plc, 47 High Street, Merthyr Tydfil, CF47 8DL

## Directors' report for the year ended 31 July 2021

The directors present their report and the audited financial statements of Tydfil Training Consortium Ltd, (known as 'the Company') for the year ended 31 July 2021. The financial statements have been prepared to comply with the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP)' and in accordance with applicable accounting standards.

### Principal activities

The charitable objects of Tydfil Training Consortium, Ltd are to promote the advancement of education and the relief of need among young and other unemployed persons resident in Wales by the provision of such training facilities as will enable such persons to acquire and develop vocational skills.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Tydfil Training Consortium Ltd (TTC) is a wholly owned subsidiary of The College Merthyr Tydfil, part of the University of South Wales Group and the principle activities are the provision of Work Based Learning and Employability opportunities as part of the QSA (Cardiff & Vale College) Apprenticeship group, ACT Traineeship Consortium and ITEC Adult provision. Additionally, Enterprise Support is delivered under a service level agreement to Merthyr Tydfil County Borough Council and Wales Council for Voluntary Action (WCVA) Active Inclusion Fund for the Merthyr Tydfil Enterprise Centre (MTEC), operated by TTC. From July 2021, we will begin a new programme, Restart, delivered for Serco, contracting for The Department for Work & Pensions (DWP).

### Strategic Report

#### Business review and future developments

During the year, the Board agreed an updated five-year strategic plan which articulates how Tydfil Training Consortium Ltd will develop. The 2020/21 financial year was Tydfil Training Consortium's third year of operation as a wholly owned subsidiary of the College Merthyr Tydfil. Tydfil Training Consortium's strategic priorities have been aligned to those of the college and are:

1. To become the highest performing training provider in Wales
2. To become known by employers for our innovation and responsiveness, with an offer that facilitates progression into apprenticeships, or for employers to enhance their skills.
3. Learners and staff will enjoy a safe, supportive and inclusive environment.
4. Support collaborative partnerships of local and regional stakeholders, leading to enhanced opportunity and progressions for all.
5. Have effective HR, financial and support strategies that facilitate growth, development and investment to provided inspirational, enthusiastic and passionate training and assessment.

#### Results

The company's surplus for the year ended 31 July 2021 was £188,019 (2020: surplus £168,800).

The Companies cash and liquidity positions remained strong throughout the year, with year-end cash balances exceeding target with a healthy current ratio (current assets to current liabilities).

### Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash inflow of £140,289 during the period. Forecasts for 2021/22 currently show an expected surplus of £10,512. This represents a conservative estimate which has been made based on the continuing effects of the pandemic and changes to Welsh Government contracts during the year of which the impact of this is unknown. The trustees have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

## Directors' report for the year ended 31 July 2021 (continued)

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the charity is secured and therefore on that basis is a going concern.

### Key Performance Indicators

The following two key performance indicators (KPIs) are relevant when assessing performance for the year. The KPI's are derived from the five-year Strategic plan and evaluated and reported against national comparators:

- i) Surplus - £188,019 (2020: surplus £168,800)
- iii) Current ratio – 10.9 (2020: 5.0)

Participant Engagement: Learner number in Traineeship, Adult and Apprenticeship routes remains strong.

Quality: Learner outcomes remained strong when viewed against the circumstances and influence of the pandemic.

Health & Safety: Tydfil Training Consortium, as part of its Work Based learning consortium received a grade of excellent. In addition to supporting internal arrangements, we have also grown the commercial training arm in respect to Health & Safety during the year.

### Principal risks and uncertainties

Outlined below are the principal risks facing Tydfil Training Consortium. Not all the factors are wholly within our control. Other factors besides those listed below may also adversely affect the business and are included in our overarching risk register.

### Covid-19 Pandemic

The impact of the coronavirus pandemic has created significant uncertainty and disruption in the economy and especially to the Worked Based Learning Sector (WBL). It has brought many financial and operational challenges. We aimed to mitigate risk through a focus on fundamentals of financial management ensuring sound cost management, whilst maintaining exceptional customer service.

### Government funding

Tydfil Training Consortium relies considerably on continued Government funding. Our Apprenticeship contract will renew in August 2021, still with Cardiff & Vale College as the lead. Our Traineeship provision remains strong, both in terms of recruitment and progression and will lead into the Jobs Growth Wales Plus programme in April 2022, once again with our partners at ACT. Our Adult programme with ITEC came to an effective end in April 2021 with no decision yet to any successor from April 2022. Additionally, we initiated a new contract in July 2021 with Serco for the delivery of the DWP Restart programme in Merthyr Tydfil and RCT.

### Financial risk management

Tydfil Training Consortium is committed to exhibiting best practice in all areas of financial risk management and corporate governance, fully adhering to the principles and policies set out in the Governance Code of Practice and General Principles.

Tydfil Training Consortium's Board of Directors is responsible for the system of internal control and for the financial risks. The register is regularly reviewed by senior management and the Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the organisation and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a scoring system that is consistent within the group Tydfil Training Consortium's risk management process is consolidated into the College Merthyr Tydfil (parent entity) whose internal control guidance adheres to the combined code as amended by the British Universities Finance Directors Group. As part of their induction new Directors are provided with an understanding of the charities policies and procedures and are offered ongoing training to ensure that their knowledge remains current.

**Directors' report for the year ended 31 July 2021 (continued)**Reserve Policy

It is the policy of the charity that unrestricted funds should be maintained at a level equivalent to between six- and twelve-month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the charity's current activities, enabling us to meet commitments that have been made to the beneficiaries of the charity. This level of free reserves has been maintained and grown throughout the year.

The Board of Directors met four times during the reporting period. In terms of audit arrangements, whilst a separate Tydfil Training Consortium Audit Committee has not been established, all audit reports and reviews and other information relating to the company are formally received by the University of South Wales' Audit Committee which meets four times per year.

Based on the strategic plan, Tydfil Training Consortium Board undertakes a comprehensive review of the risks to which the College is exposed. Systems and procedures are reviewed and investigated, including specific preventative actions which should mitigate any potential impact on the Company. The internal controls are then implemented, and the subsequent year's appraisal will review effectiveness and progress against risk mitigation actions. In addition to the annual review, the leadership team will also consider any risks which may arise as a result of a new area of work being undertaken by Tydfil Training Consortium.

Tydfil Training Consortium will continue to explore alternative sources of income both in collaboration with partners and in its own right. This risk is mitigated in a number of ways:

- Funding derived through a number of direct contractual arrangements;
- By ensuring that Tydfil Training Consortium is rigorous in delivering high quality training and skills;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies and potential prime contractors; and
- Ensuring Tydfil Training Consortium is focused on those priority sectors which will continue to benefit from public funding.

**Dividends**

The company is limited by guarantee. The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2021 (2020 – £nil).

**Summary of the Structure of Corporate Governance**

Tydfil Training Consortium's Board of Directors comprises of members appointed in accordance with the Articles of Government. The Chair of the Board is separated from the role of the Chief Executive. Those matters specifically reserved to the Board for decision are set out in the Articles of Government. The Board holds to itself the responsibilities for the ongoing strategic direction, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management.

The Board meets four times a year and is represented on The College Merthyr Tydfil's Board of Directors and in the College's Executive Meetings. The College is represented at the University of South Wales Group Committees (Finance and Resources, Human Resources and Audit).

Tydfil Training Consortium is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the organisation has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2010. Its purpose is to help the reader of the annual report and financial statements understand how the principles have been applied. In the opinion of the Board, the organisation complies with all of the provisions of the Code, in so far as they apply to the sectors, and it has complied throughout the year ended 31 July 2021 and up to the date of signing the annual report and financial statements.

**Employees**

Applications for employment by disabled persons are always fully considered, taking into account the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not

**Directors' report for the year ended 31 July 2021 (continued)**

suffer from a disability. To this end, Tydfil Training Consortium has attained the DWP "Disability Confident" accreditation at Level 2.

Consultation with employees or their representatives has been undertaken, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

**Statement of Directors' responsibilities 31 July 2021**

The directors are responsible for preparing the Trustees' 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

**Directors' indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance.

This was also in force at the date of approval of the annual report and financial statements.

**Provision of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent Auditors**

KPMG LLP was appointed as auditor to Tydfil Training Consortium Ltd on the 1 June 2020, for an initial period of three years.

**By order of the board**

Company secretary  
Dr G Taylor

**Independent auditor's report to the members of Tydfil Training Consortium Limited****Opinion**

We have audited the financial statements of the Tydfil Training Consortium Limited ("the charitable company") for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Reconciliation of Funds, the Balance Sheet, the Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect***Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors as to the company's high-level policies and procedures to prevent and detect fraud and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong financial period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals made to unrelated accounts, those made to unusual or seldom-used accounts, entries containing particular words in the description and postings made by individuals who do not typically make journal entries.
- Inspecting cash receipts in the period prior to and following 31 July 2021 to verify revenue had been recognised in the correct accounting period.

***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), from inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), charities legislation, distributable profits legislation, taxation legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The directors are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

**Independent auditor's report to the members of Tydfil Training Consortium Limited (continued)**

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the charitable 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charitable 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent auditor's report to the members of Tydfil Training Consortium Limited  
(continued)**

**Rees Batley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

## Statement of Financial Activities for the year ended 31 July 2021 incorporating the income and expenditure account

	Note	2021 £	2020 £
<b>Income from:</b>			
Charitable activities	2	1,391,224	1,427,694
<b>Total Income</b>	<b>6</b>	<b>1,391,224</b>	<b>1,427,694</b>
<b>Expenditure on:</b>			
Charitable activities	5	(1,203,205)	(1,258,894)
<b>Net Income for the period</b>		<b>188,019</b>	<b>168,800</b>

No tax was payable on the activities of the charity

The funds relate to unrestricted funds and there has been no movement in the restricted funds.

**Reconciliation of Funds**

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Total funds brought forward	803,271	1,600	804,871	636,071
Reallocation of Capital Grants	-	-	-	-
Total funds brought forward – restated	-	-	-	-
Net movement of funds	188,019	-	188,019	168,800
<b>At 31 July</b>	<b>991,290</b>	<b>1,600</b>	<b>992,890</b>	<b>804,871</b>

The profit for the financial year, £188,019 (2020: £168,800) is dealt with in the statement of financial activities of Tydfil Training Consortium Ltd.

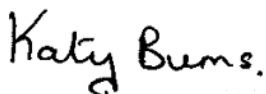
The restricted fund is made up of a donation received for scholarships paid from the Joe Jonathan Memorial.

The notes on pages 16 to 21 form part of these Accounts.

## Balance Sheet as at 31 July 2021

		2021 £	2020 £
	Note		
Property, plant and equipment	7	398,919	417,579
		398,919	417,579
<b>Current assets</b>			
Debtors	8	168,101	157,402
Cash at bank and in hand		592,161	451,872
		760,262	609,274
<b>Creditors</b>			
Amounts falling due within one year	9	(69,371)	(120,770)
		690,891	488,504
<b>Net current assets</b>			
<b>Creditors</b>			
Amounts falling due after one year	10	(96,920)	(101,212)
		992,890	804,871
<b>Net Assets</b>		<b>992,890</b>	<b>804,871</b>
<b>Funds</b>			
Restricted Funds		1,600	1,600
Unrestricted Funds		991,290	803,271
		992,890	804,871
<b>Total funds</b>		<b>992,890</b>	<b>804,871</b>

The accounts on pages 13 to 21 were approved by the Board of Directors on 17<sup>th</sup> December 2021 and were signed on its behalf on that date by:



Mrs K N Burns  
Chairman

## Cash flow statement for the year ended 31 July 2021

	Note	2021 £	2020 £
<b>Cash flow from operating activities</b>			
Surplus for the financial year		188,019	168,800
<b>Operating surplus</b>		<b>188,019</b>	<b>168,800</b>
<b>Adjustment for non-cash items</b>			
Depreciation	7	18,660	18,883
(Increase)/Decrease in Debtors	8	(10,699)	114,489
Decrease in Creditors	9,10	(55,691)	(186,540)
<b>Net cash outflow from operating activities</b>		<b>(47,730)</b>	<b>(53,168)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>140,289</b>	<b>115,632</b>
Cash and cash equivalents at beginning of the year		451,872	336,240
<b>Total cash and cash equivalents at end of year</b>		<b>592,161</b>	<b>451,872</b>

**Notes to the Accounts for the year ended 31 July 2021****1. Statement of Accounting policies****Basis of preparation**

The financial statements of the charitable company, which is a public benefit entity are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including the Charities SORP 2019 and FRS102: The Financial Standard applicable in the UK and Republic of Ireland. By exception, capital grants are accounted for under the Further and Higher Education SORP 2019, using the accruals model. This follows the accounting treatment adopted by the company's parent undertaking, Merthyr Tydfil College Limited. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

**Going concern**

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash inflow of £140,289 during the period. Forecasts for 2021/22 currently show an expected surplus of £10,512. This represents a conservative estimate which has been made based on the continuing effects of the pandemic and changes to Welsh Government contracts during the year of which the impact of this is unknown. The trustees have prepared a medium-term financial plan, including cashflow forecasts for the going concern period, being at least 12 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group, the future of the charity is secured and therefore on that basis is a going concern.

**Income from charitable activities**

Income from charitable activities, which excludes value added tax, represents the invoiced value of services provided during the year together with income from various Government grants. Income is recognised on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised in deferred income within the balance sheet as liabilities.

**Government grants**

Government grants in respect of income are credited to income from charitable activities in the period to which they relate. Capital grants are credited to a deferred capital grant account and are then released to the statement of financial activities over the useful lives of the assets to which they relate.

**Foreign Currency**

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date unless there is a contracted exchange rate. Exchange differences are taken into account in arriving at the operating profit.

**Property, Plant and Equipment**

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is the purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The principal rates used for this purpose are:

Leasehold Property	Length of the Lease
Freehold Property	2% straight line basis
Equipment	33% straight line basis
Vehicles	25% reducing balance

**Notes to the Accounts for the year ended 31 July 2021 (continued)****Statement of Accounting Policies (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount paid after taking account of any discounts due.

**Creditors and Provisions**

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

**Pensions**

The company operates a defined contribution pension scheme in accordance with the auto enrolment guidelines. This is in addition to the contributions to stakeholder pensions on behalf of certain employees.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet, and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged as expenditure on a straight-line basis over the lease term.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## Notes to the Accounts for the year ended 31 July 2021 (continued)

## 2. Income resources from activities

	2021 £	2020 £
Provision of vocational and Work Based learning	1,358,074	1,382,893
Other Income	33,150	44,801
<b>Total</b>	<b>1,391,224</b>	<b>1,427,694</b>

## 3. Staff Costs

	2021 £	2020 £
Salaries	653,091	529,595
Social security costs	51,197	161,268
Other Pension costs	18,580	18,878
<b>Total</b>	<b>722,868</b>	<b>709,741</b>

The £18,580 in other pension costs is the payments made on the defined contribution scheme

## Average staff numbers analysed by function

	2021 Number	2020 Number
Management	5	4
Delivery & Administration	27	28
<b>Total</b>	<b>32</b>	<b>32</b>

## Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities. Staff costs includes remuneration paid to key management personnel.

	2021 £	2020 £
Key Management Personnel remuneration	133,110	129,183

No payments have been made to or on behalf of the trustees except for Mr P Gray (Chief Executive Officer) whose remuneration is included in this Note.

## Notes to the Accounts for the year ended 31 July 2021 (continued)

## 4. Analysis of expenditure

	2021 £	2020 £
Trainee costs		
• Allowances & Expenses	113,664	136,465
• Training & Tuition Fees	135,720	124,704
• Travelling Expenses	956	5,091
Management Fees	50,000	75,000
Repairs & maintenance	20,840	9,242
Professional fees & subscriptions	27,600	35,581
Utilities, Rent & Rates	56,048	58,645
Telephones	9,616	9,536
Insurance	3,286	3,601
Advertising	5,439	4,759
Printing & Stationery	8,033	7,191
Travel	3,616	6,909
Depreciation	18,660	18,883
Miscellaneous expenses	26,859	53,546
<b>Total</b>	<b>480,337</b>	<b>549,153</b>

## 5. Cost of Sales

	2021 £	2020 £
Staff Costs	722,868	709,741
Other Expenditure	480,337	549,153
<b>Total</b>	<b>1,203,205</b>	<b>1,258,894</b>

## 6. Loss on ordinary activities before taxation

	2021 £	2020 £
Loss on ordinary activities before taxation is stated after charging:		
External auditor's remuneration in respect of audit services	3,552	3,500

## Notes to the Accounts for the year ended 31 July 2021 (continued)

## 7. Property, plant, and equipment:

	Leasehold Property £	Freehold Property	General Equipment £	Vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2020	136,220	660,213	204,600	14,663	1,015,696
<b>At 31 July 2021</b>	<b>136,220</b>	<b>660,213</b>	<b>204,600</b>	<b>14,663</b>	<b>1,015,696</b>
<b>Accumulated depreciation</b>					
At 1 August 2020	38,346	343,189	204,600	11,982	598,117
Charge for the year	2,771	15,218	-	671	18,660
<b>At 31 July 2021</b>	<b>41,117</b>	<b>358,407</b>	<b>204,600</b>	<b>12,653</b>	<b>616,777</b>
<b>Net book value at 31 July 2021</b>	<b>95,103</b>	<b>301,806</b>	<b>-</b>	<b>2,010</b>	<b>398,919</b>
Net book value at 31 July 2020	97,874	317,024	-	2,681	417,579

## 8. Debtors

	2021 £	2020 £
Trade debtors	137,130	109,170
Amounts owed by group undertakings	20,009	44,748
Other debtors	2,750	-
Prepayments and accrued income	6,987	3,484
VAT	1,225	-
<b>Total</b>	<b>168,101</b>	<b>157,402</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand. It is expected that these amounts will be received within the next 12 months.

## 9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,015	3,918
Amounts owed to group undertakings	10,935	76,703
Deferred capital grants	4,292	4,292
Accruals and deferred income	47,113	32,600
Other taxes and social security	4,016	3,257
<b>Total</b>	<b>69,371</b>	<b>120,770</b>

Amounts owing to group undertakings are unsecured, interest free and repayable on demand.

## Notes to the Accounts for the year ended 31 July 2021 (continued)

## 10. Creditors: Amounts falling due after one year

	2021 £	2020 £
Deferred capital grants	96,920	101,212
<b>Total</b>	<b>96,920</b>	<b>101,212</b>

## 11. Amounts payable under operating lease obligations

	2021 £	2020 £
Lease obligations payable		
Payable during the year	5,063	4,178
Within two to five years	8,748	1,715
<b>Total</b>	<b>13,811</b>	<b>5,893</b>

## 12. Commitments and contingencies

There were no material contingencies or capital commitments at 31 July 2021 or 31 July 2020.

## 13. Related Parties

Tydfil Training Consortium is a wholly owned subsidiary of Merthyr College Limited and is included in the consolidated financial statements of the University of South Wales, which are publicly available from University of South Wales, Pontypridd, Rhondda Cynon Taff, CF329 1DL. The company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the University of South Wales. There have been no other related party transactions that have not formed part of the University of South Wales Group Financial Statements.

All transactions involving organisations in which a member of the Board may have an interest, are conducted in accordance with the Company's financial regulations and normal procurement procedures. The University of South Wales maintains a Register of Interests for members of the Board.

## 14. Ultimate parent undertaking

The immediate parent undertaking is Merthyr Tydfil College Limited, a Further Education Corporation. Merthyr Tydfil College Ltd control the charity by virtue that they can appoint trustees to the board. The results of the company have been incorporated in the University of South Wales' consolidated financial statements, which forms the largest and smallest group for which the company's financial statements are consolidated and is the ultimate controlling party. Copies of the University's financial statements are available from the following address:

University of South Wales  
Pontypridd  
Rhondda Cynon Taff  
CF37 1DL

**TYDFIL TRAINING CONSORTIUM LIMITED**

England & Wales - Charity number 702622

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# Accounts

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**Tydfil Training Consortium Ltd**

**Annual Report and**

**Financial Statements for the year ended**

**31 July 2020**

**Annual Report and Financial Statements for the year ended 31 July 2020**

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**Legal and administrative Information****Status**

The company was incorporated on 20 February 1990 as a company limited by guarantee (company number 2472331) and is registered as a charity (charity number 702622).

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the board of directors are elected at the Annual General Meeting (AGM) to serve a period of three years, subject to ratification at each AGM. The directors of the company are its trustees for the purpose of charity law.

**Directors and Trustees**

The existing directors and those who held office during the year and up to the date of signing the annual report and financial statements are given below:

Mrs K N Burns (Chair)  
Mr A Bush (Resigned 1 August 2019)  
Ms K S Fowler  
Mr P Gray (Chief Executive Officer)  
Mr A M Jenkins (Resigned 17 March 2020)  
Ms C J Thomas  
Ms L M Thomas

No payments have been made to or on behalf of the above with the exception of Mr P Gray (Chief Executive Officer) whose remuneration is included in Note 3.

**Company Secretary**

Mrs G Taylor (nee Jones)  
Mrs L Fitzgerald (Resigned 22 June 2020)

**Registered Office & Headquarters**

William Street Building, High Street, Merthyr Tydfil, CF47 8AP

**Independent Auditors**

KPMG, 3 Assembly Square, Britannia Quay, Cardiff, CF10 4AX

**Solicitors**

JNP Legal, 1 High Street, Nelson, Merthyr Tydfil, CF46 6EU

**Bankers**

Barclays Bank plc, 47 High Street, Merthyr Tydfil, CF47 8DL

## Directors report for the year ended 31 July 2020

The directors present their report and the audited financial statements of Tydfil Training Consortium Ltd, (known as 'the Company') for the year ended 31 July 2020. The financial statements have been prepared to comply with the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP)' and in accordance with applicable accounting standards.

### Principal activities

The charitable objects of Tydfil Training Consortium, Ltd are to promote the advancement of education and the relief of need among young and other unemployed persons resident in Wales by the provision of such training facilities as will enable such persons to acquire and develop vocational skills.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Tydfil Training Consortium Ltd (TTC) is a wholly owned subsidiary of The College Merthyr Tydfil, part of the University of South Wales Group and the principle activities are the provision of Work Based Learning and Employability opportunities as part of the QSA (Cardiff & Vale College) Apprenticeship group, ACT Traineeship Consortium and ITEC Adult provision. Additionally, Enterprise Support is delivered under a service level agreement to Merthyr Tydfil County Borough Council and Wales Council for Voluntary Action (WCVA) Active Inclusion Fund for the Merthyr Tydfil Enterprise Centre (MTEC), operated by TTC.

### Strategic Report

#### Business review and future developments

During the previous year, the Board agreed an updated five-year strategic plan which articulates how Tydfil Training Consortium Ltd will develop. The 2019-20 financial year was Tydfil Training Consortium's second year of operation as a wholly owned subsidiary of the College Merthyr Tydfil. Tydfil Training Consortium's strategic priorities have been aligned to those of the college and are:

1. To become the highest performing training provider in Wales
2. To become known by employers for our innovation and responsiveness, with an offer that facilitates progression into apprenticeships, or for employers to enhance their skills.
3. Learners and staff will enjoy a safe, supportive and inclusive environment.
4. Support collaborative partnerships of local and regional stakeholders, leading to enhanced opportunity and progressions for all.
5. Have effective HR, financial and support strategies that facilitate growth, development and investment to provide inspirational, enthusiastic and passionate training and assessment.

#### Results

The company's surplus for the year ended 31 July 2020 was £168,800 (2019: deficit £100,400).

The Company's cash and liquidity positions remained strong throughout the year, with year-end cash balances exceeding target with a healthy current ratio (current assets to current liabilities).

#### Key Performance Indicators

The following two key performance indicators (KPIs) are relevant when assessing performance for the year. The KPI's are derived from the five year Strategic plan and also evaluated and reported against national comparators:

i) Surplus - £168,800 (2019: deficit £100,400)

iii) Current ratio – 2.7 (2019: 1.5)

Learner numbers: Learner number in Traineeship, Adult and Apprenticeship routes remains strong

**Directors report for the year ended 31 July 2020**

Quality: Learner outcomes improved substantially in 2019-20

Health & Safety: Tydfil Training Consortium, as part of its Work Based learning consortium received a grade of excellent. In addition to supporting internal arrangements, we have also grown the commercial training arm in respect to Health & Safety during the year.

Principal risks and uncertainties

Outlined below are the principal risks facing Tydfil Training Consortium. Not all the factors are wholly within our control. Other factors besides those listed below may also adversely affect the business and are included in our overarching risk register.

Covid-19 Pandemic

The impact of the coronavirus pandemic has created significant uncertainty and disruption in the economy and especially to the Worked Based Learning Sector (WBL). It has brought many financial and operational challenges. We aim to mitigate risk through a focus on fundamentals of financial management ensuring sound cost management.

Government funding

Tydfil Training Consortium relies considerably on continued Government funding. In 2019 we aligned with a number of prime contractors to bid for the Welsh Governments "Job Support Wales" initiative for Youth and Adult services. This tendering round was ultimately abandoned by Welsh Government and the current programmes have the following end dates; Apprenticeships: 31 July 2021, Traineeships and Adult: March 2022.

Financial risk management

Tydfil Training Consortium is committed to exhibiting best practice in all areas of financial risk management and corporate governance, fully adhering to the principles and policies set out in the Governance Code of Practice and General Principles.

Tydfil Training Consortium's Board of Directors is responsible for the system of internal control and for the financial risks. The register is regularly reviewed by senior management and the Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the organisation and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a scoring system that is consistent within the group Tydfil Training Consortium's risk management process is consolidated into the College Merthyr Tydfil (parent entity) whose internal control guidance adheres to the combined code as amended by the British Universities Finance Directors Group. As part of their induction new Directors are provided with an understanding of the charities policies and procedures and are offered ongoing training to ensure that their knowledge remains current.

It is the policy of the charity that unrestricted funds should be maintained at a level equivalent to between six and twelve month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the charity's current activities, enabling us to meet commitments that have been made to the beneficiaries of the charity. This level of reserves has been maintained throughout the year.

The Board of Directors met five times during the reporting period. In terms of audit arrangements, whilst a separate Tydfil Training Consortium Audit Committee has not been established, all audit reports and reviews and other information relating to the company are formally received by the University of South Wales' Audit Committee which meets four times per year.

Based on the strategic plan, Tydfil Training Consortium Board undertakes a comprehensive review of the risks to which the College is exposed. Systems and procedures are reviewed and investigated, including specific preventative actions which should mitigate any potential impact on the Company. The internal controls are then implemented, and the subsequent year's appraisal will review effectiveness and progress against risk mitigation actions. In addition to the annual review, the leadership team will also consider any risks which may arise as a result of a new area of work being undertaken by Tydfil Training Consortium.

**Directors report for the year ended 31 July 2020 (continued)**

Tydfil Training Consortium will continue to explore alternative sources of income both in collaboration with partners and in its own right. This risk is mitigated in a number of ways:

- Funding derived through a number of direct contractual arrangements;
- By ensuring that Tydfil Training Consortium is rigorous in delivering high quality training and skills;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies and potential prime contractors; and
- Ensuring Tydfil Training Consortium is focused on those priority sectors which will continue to benefit from public funding.

**Dividends**

The company is limited by guarantee. The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2020 (2019 – nil).

**Summary of the Structure of Corporate Governance**

Tydfil Training Consortium's Board of Directors comprises of members appointed in accordance with the Articles of Government. The Chair of the Board is separated from the role of the Chief Executive. Those matters specifically reserved to the Board for decision are set out in the Articles of Government. The Board holds to itself the responsibilities for the ongoing strategic direction, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management.

The Board meets four times a year and is represented on The College Merthyr Tydfil's Board of Directors and in the College's Executive Meetings. The College is represented at the University of South Wales Group Committees (Finance and Resources, Human Resources and Audit).

Tydfil Training Consortium is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the organisation has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2010. Its purpose is to help the reader of the annual report and financial statements understand how the principles have been applied. In the opinion of the Board, the organisation complies with all of the provisions of the Code, in so far as they apply to the sectors, and it has complied throughout the year ended 31 July 2020 and up to the date of signing the annual report and financial statements.

**Employees**

Applications for employment by disabled persons are always fully considered, taking into account the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. To this end, Tydfil Training Consortium has attained the DWP "Disability Confident" accreditation at Level 2.

Consultation with employees or their representatives has been undertaken, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

**Statement of Directors' responsibilities in respect of the directors' annual report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

**Directors report for the year ended 31 July 2020 (continued)**

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

**Directors indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance.

This was also in force at the date of approval of the annual report and financial statements.

**Provision of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent Auditors**

KMPG LLP was appointed as auditor to Tydfil Training Consortium Ltd on the 1 June 2020, for an initial period of three years. Prior to this date, PricewaterhouseCoopers LLP was the auditor in place. The Directors report was approved on 18 November 2020.

**By order of the board**

**Company secretary**  
**Mrs G Taylor**

## Independent auditor's report to the members of Tydfil Training Consortium Limited

### Opinion

We have audited the financial statements of Tydfil Training Consortium ("the charitable company") for the year ended 31 July 2020 which comprise the Statement of Financial Activities, Reconciliation of Funds, Balance Sheet, Cashflow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

### Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Independent auditor's report to the members of Tydfil Training Consortium Limited  
(continued)****Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Trustees' responsibilities**

As explained more fully in their statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the charitable 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Rees Batley (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor

**Chartered Accountants**

**3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX**

**[Date]**

## Statement of Financial Activities for the year ended 31 July 2020 incorporating the income and expenditure account

	Note	2020 £	2019 £
<b>Income from:</b>			
Charitable activities	2	1,427,694	1,431,397
<b>Total Income</b>	<b>6</b>	<b>1,427,694</b>	<b>1,431,397</b>
<b>Expenditure on:</b>			
Charitable activities	5	(1,258,894)	(1,531,437)
<b>Net Income/ (expenditure) for the period</b>		<b>168,800</b>	<b>(100,400)</b>

No tax was payable on the activities of the charity

The funds relate to unrestricted funds and there has been no movement in the restricted funds.

**Reconciliation of Funds**

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Total funds brought forward	634,471	1,600	<b>636,071</b>	850,198
Reallocation of Capital Grants	-	-	-	(114,087)
Total funds brought forward – restated	-	-	-	736,111
Net movement of funds	168,800	-	<b>168,800</b>	(100,040)
<b>At 31 July</b>	<b>803,271</b>	<b>1,600</b>	<b>804,871</b>	<b>636,071</b>

The profit for the financial year, £168,800 (2019: (£100,040)) is dealt with in the statement of financial activities of Tydfil Training Consortium Ltd.

The restricted fund is made up of a donation received for scholarships paid from the Joe Jonathan Memorial.

The notes on pages 13 to 18 form part of these Accounts.

## Balance Sheet as at 31 July 2020

		2020 £	2019 £
	Note		
Property, plant and equipment	7	417,579	436,461
		417,579	436,461
<b>Current assets</b>			
Debtors	8	157,402	271,891
Cash at bank and in hand		451,872	336,240
		609,274	608,131
<b>Creditors</b>			
Amounts falling due within one year	9	(120,770)	(303,017)
		488,504	305,114
<b>Net current assets</b>			
<b>Creditors</b>			
Amounts falling due after one year	10	(101,212)	(105,504)
		<b>804,871</b>	<b>636,071</b>
<b>Total assets less liabilities</b>			
<b>Funds</b>			
Restricted Funds		1,600	1,600
Unrestricted Funds		803,271	634,471
		<b>804,871</b>	<b>636,071</b>
<b>Total funds</b>			

These accounts have been prepared in accordance with the provisions of FRS 102: The Financial Standard applicable in the UK and Republic of Ireland.

The accounts on pages 10 to 18 were approved by the Board of Directors on 18<sup>th</sup> November 2020 and were signed on its behalf on that date by:

*Katy Burns.*

Mrs K N Burns  
Chairman

## Cash flow statement for the year ended 31 July 2020

	Note	2020 £	2019 £
<b>Cash flow from operating activities</b>			
Surplus/(Loss) for the financial year		168,800	(100,040)
<b>Operating surplus/(loss)</b>		<b>168,800</b>	<b>(100,040)</b>
<b>Adjustment for non-cash items</b>			
Depreciation	7	18,883	21,964
Impairment of Fixed Assets	7	-	76,059
Decrease/(Increase) in Debtors	8	114,489	(147,906)
(Decrease)/Increase in Creditors	9,10	(186,540)	232,711
<b>Net cash outflow/inflow from operating activities</b>		<b>(53,168)</b>	<b>182,828</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>115,632</b>	<b>82,788</b>
<b>Cash and cash equivalents at beginning of the year</b>			
Restricted		1,600	1,600
Unrestricted		334,640	251,852
<b>Total cash and cash equivalents at end of year</b>		<b>451,872</b>	<b>336,240</b>

## Notes to the Accounts for the year ended 31 July 2020

### 1. Statement of Accounting policies

#### Basis of preparation

The financial statements of the charitable company, which is a public benefit entity are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including the Charities SORP 2019 and FRS102: The Financial Standard applicable in the UK and Republic of Ireland. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### Going concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The charity reported a cash inflow of £78,496 during the period. Forecasts for 2020/21 currently show an expected surplus of £77,000. This represents a substantial improvement on the results achieved in 2018/19. An assessment has been carried out that included forecasts and stress testing in response to the Coronavirus pandemic which have indicated that the company has capacity to absorb the short and medium term financial impact of potential scenarios caused by the outbreak.

The trustees are of a view that their actions to improve the surpluses within the company and being part of the University of South Wales group the future of the charity is secured and therefore on that basis is a going concern.

#### Income from charitable activities

Income from charitable activities, which excludes value added tax, represents the invoiced value of services provided during the year together with income from various Government grants. Income is recognised on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised in deferred income within the balance sheet as liabilities.

#### Government grants

Government grants in respect of income are credited to income from charitable activities in the period to which they relate. Capital grants are credited to a deferred capital grant account and are then released to the statement of financial activities over the useful lives of the assets to which they relate.

#### Foreign Currency

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position date, unless there is a contracted exchange rate. Exchange differences are taken into account in arriving at the operating profit.

#### Property, Plant and Equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is the purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual values, on a straight line basis over the expected useful economic life of the assets concerned.

The principal rates used for this purpose are:

Leasehold Property	Length of the Lease
Freehold Property	2% straight line basis
Equipment	33% straight line basis
Vehicles	25% reducing balance

**Notes to the Accounts for the year ended 31 July 2019 (continued)****Statement of Accounting Policies (continued)****Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount paid after taking account of any discounts due.

**Creditors and Provisions**

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

**Pensions**

The company operates a defined contribution pension scheme in accordance with the auto enrolment guidelines. This is in addition to the contributions to stakeholder pensions on behalf of certain employees. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged as expenditure on a straight line basis over the lease term.

**Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Notes to the Accounts for the year ended 31 July 2020 (continued)****2. Income resources from activities**

	<b>2020</b> £	<b>2019</b> £
Provision of vocational and Work Based learning	1,382,893	1,379,818
Other Income	44,801	51,579
<b>Total</b>	<b>1,427,694</b>	<b>1,431,397</b>

**3. Staff Costs**

	<b>2020</b> £	<b>2019</b> £
Salaries	529,595	617,581
Social security costs	161,268	175,827
Other Pension costs	18,878	31,439
<b>Total</b>	<b>709,741</b>	<b>824,847</b>

The £18,878 in other pension costs is the payments made on the defined contribution scheme

**Average staff numbers analysed by function**

	<b>2020</b> Number	<b>2019</b> Number
Management	4	5
Delivery & Administration	28	27
<b>Total</b>	<b>32</b>	<b>32</b>

**Key Management Personnel**

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities. Staff costs includes compensation paid to key management personnel.

	<b>2020</b> £	<b>2019</b> £
Key Management Personnel compensation	129,183	122,950

No payments have been made to or on behalf of the trustees with the exception of Mr P Gray (Chief Executive Officer) whose remuneration is included in this Note.

## Notes to the Accounts for the year ended 31 July 2020 (continued)

## 4. Analysis of expenditure

	2020 £	2019 £
Trainee costs		
• Allowances & Expenses	136,465	135,036
• Training & Tuition Fees	124,704	195,082
• Travelling Expenses	5,091	5,814
Management Fees	75,000	100,000
Repairs & maintenance	9,242	14,602
Professional fees & subscriptions	35,581	20,131
Utilities, Rent & Rates	58,645	48,494
Telephones	9,536	12,338
Insurance	3,601	12,960
Advertising	4,759	6,785
Printing & Stationery	7,191	12,902
Travel	6,909	7,997
Depreciation	18,883	98,023
Miscellaneous expenses	53,546	36,426
<b>Total</b>	<b>549,153</b>	<b>706,590</b>

## 5. Cost of Sales

	2020 £	2019 £
Staff Costs	709,741	824,847
Other Expenditure	549,153	706,590
<b>Total</b>	<b>1,258,894</b>	<b>1,531,437</b>

## 6. Loss on ordinary activities before taxation

	2020 £	2019 £
Loss on ordinary activities before taxation is stated after charging:		
External auditors' remuneration in respect of audit services	3,500	5,000

## Notes to the Accounts for the year ended 31 July 2020 (continued)

## 7. Property, plant and equipment:

	Leasehold Property £	Freehold Property	General Equipment £	Vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2019	136,220	660,213	204,600	14,663	1,015,696
Additions	-	-	-	-	-
<b>At 31 July 2020</b>	<b>136,220</b>	<b>660,213</b>	<b>204,600</b>	<b>14,663</b>	<b>1,015,696</b>
<b>Accumulated depreciation</b>					
At 1 August 2019	35,575	327,972	204,600	11,089	579,236
Charge for the year	2,771	15,217	-	893	18,881
<b>At 31 July 2020</b>	<b>38,346</b>	<b>343,189</b>	<b>204,600</b>	<b>11,982</b>	<b>598,117</b>
<b>Net book value at 31 July 2020</b>	<b>97,874</b>	<b>317,024</b>	<b>-</b>	<b>2,681</b>	<b>417,579</b>
Net book value at 31 July 2019	100,645	332,241	-	3,574	436,460

## 8. Debtors

	2020 £	2019 £
Trade debtors	109,170	205,356
Amounts owed by group undertakings	44,748	58,081
Other debtors	-	2,000
Prepayments and accrued income	3,484	6,454
<b>Total</b>	<b>157,402</b>	<b>271,891</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand. It is expected that these amounts will be received within the next 12 months.

## 9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,918	48,740
Amounts owed to group undertakings	76,703	212,685
Deferred capital grants	4,292	4,292
Accruals and deferred income	32,600	37,300
Other taxes and social security	3,257	-
<b>Total</b>	<b>120,770</b>	<b>303,017</b>

Amounts owing by group undertakings are unsecured, interest free and repayable on demand.

## Notes to the Accounts for the year ended 31 July 2020 (continued)

## 10. Creditors: Amounts falling due after one year

	2020 £	2019 £
Deferred capital grants	101,212	105,504
<b>Total</b>	<b>101,212</b>	<b>105,504</b>

## 11. Amounts payable under operating lease obligations

	2020 £	2019 £
Lease obligations payable		
Payable during the year	4,178	3,498
Within two to five years	1,715	10,785
<b>Total</b>	<b>5,893</b>	<b>14,283</b>

## 12. Commitments and contingencies

There were no material contingencies or capital commitments at 31 July 2020 or 31 July 2019.

## 13. Related Parties

Tydfil Training Consortium is a wholly-owned subsidiary of Merthyr College Limited and is included in the consolidated financial statements of the University of South Wales, which are publicly available from University of South Wales, Pontypridd, Rhondda Cynon Taf, CF329 1DL. The company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the University of South Wales. There have been no other related party transactions that have not formed part of the University of South Wales Group Financial Statements.

All transactions involving organisation's in which a member of the Board may have an interest, are conducted in accordance with the Company's financial regulations and normal procurement procedures. The University of South Wales maintains a Register of Interests for members of the Board.

## 14. Ultimate parent undertaking

The immediate parent undertaking is Merthyr Tydfil College Limited, a Further Education Corporation. Merthyr Tydfil College Ltd control the charity by virtue that they are able to appoint trustees to the board. The results of the company have been incorporated in the University of South Wales' consolidated financial statements, which forms the largest and smallest group for which the company's financial statements are consolidated and is the ultimate controlling party. Copies of the University's financial statements are available from the following address:

University of South Wales  
Pontypridd  
Rhondda Cynon Taff  
CF37 1DL