

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 ReportBusiness 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 provided 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 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).

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 Work 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.

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 £
Income from:			
Charitable activities	2	1,427,694	1,431,397
Total Income	6	1,427,694	1,431,397
Expenditure on:			
Charitable activities	5	(1,258,894)	(1,531,437)
Net Income/ (expenditure) for the period		168,800	(100,400)

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	636,071	850,198
Reallocation of Capital Grants	-	-	-	(114,087)
Total funds brought forward – restated	-	-	-	736,111
Net movement of funds	168,800	-	168,800	(100,040)
At 31 July	803,271	1,600	804,871	636,071

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.

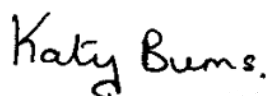
The notes on pages 13 to 18 form part of these Accounts.

Balance Sheet as at 31 July 2020

		2020 £	2019 £
	Note		
Property, plant and equipment	7	417,579	436,461
		417,579	436,461
Current assets			
Debtors	8	157,402	271,891
Cash at bank and in hand		451,872	336,240
		609,274	608,131
Creditors			
Amounts falling due within one year	9	(120,770)	(303,017)
Net current assets		488,504	305,114
Creditors			
Amounts falling due after one year	10	(101,212)	(105,504)
Total assets less liabilities		804,871	636,071
Funds			
Restricted Funds		1,600	1,600
Unrestricted Funds		803,271	634,471
Total funds		804,871	636,071

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 18th November 2020 and were signed on its behalf on that date by:



Mrs K N Burns
Chairman

Cash flow statement for the year ended 31 July 2020

	Note	2020 £	2019 £
Cash flow from operating activities			
Surplus/(Loss) for the financial year		168,800	(100,040)
Operating surplus/(loss)		168,800	(100,040)
Adjustment for non-cash items			
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
Net cash outflow/inflow from operating activities		(53,168)	182,828
Increase in cash and cash equivalents in the year		115,632	82,788
Cash and cash equivalents at beginning of the year			
Restricted		1,600	1,600
Unrestricted		334,640	251,852
Total cash and cash equivalents at end of year		451,872	336,240

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

	2020 £	2019 £
Provision of vocational and Work Based learning	1,382,893	1,379,818
Other Income	44,801	51,579
Total	1,427,694	1,431,397

3. Staff Costs

	2020 £	2019 £
Salaries	529,595	617,581
Social security costs	161,268	175,827
Other Pension costs	18,878	31,439
Total	709,741	824,847

The £18,878 in other pension costs is the payments made on the defined contribution scheme

Average staff numbers analysed by function

	2020 Number	2019 Number
Management	4	5
Delivery & Administration	28	27
Total	32	32

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.

	2020 £	2019 £
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
Total	549,153	706,590

5. Cost of Sales

	2020 £	2019 £
Staff Costs	709,741	824,847
Other Expenditure	549,153	706,590
Total	1,258,894	1,531,437

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 £
Cost or valuation					
At 1 August 2019	136,220	660,213	204,600	14,663	1,015,696
Additions	-	-	-	-	-
At 31 July 2020	136,220	660,213	204,600	14,663	1,015,696
Accumulated depreciation					
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
At 31 July 2020	38,346	343,189	204,600	11,982	598,117
Net book value at 31 July 2020	97,874	317,024	-	2,681	417,579
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
Total	157,402	271,891

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	-
Total	120,770	303,017

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
Total	101,212	105,504

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
Total	5,893	14,283

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