

Tydfil Training Consortium Ltd
Limited by guarantee

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.

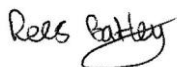
Auditor's responsibilities

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.

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

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	1,238,956	992,890
Net movement of funds	43,891	-	43,891	246,066
At 31 July	1,281,247	1,600	1,282,847	1,238,956

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
Current assets			
Debtors	8	204,887	201,441
Cash at bank and in hand		1,012,431	1,144,916
		1,217,318	1,346,357
Creditors			
Amounts falling due within one year	9	(219,008)	(406,011)
Net current assets		998,310	940,346
Creditors			
Amounts falling due after one year	10	(98,144)	(116,639)
Net Assets		1,282,847	1,238,956
Funds			
Restricted Funds		1,600	1,600
Unrestricted Funds		1,281,247	1,237,356
Total funds		1,282,847	1,238,956

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 19th 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	£	£
Cash flow from operating activities			
Surplus for the financial year		43,891	246,066
Operating surplus		43,891	246,066
Adjustment for non-cash items			
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
Net cash (outflow)/inflow from operating activities		(132,485)	552,755
Cash flow from investing activities			
Capital grant receipts		-	42,608
Payments made to acquire fixed assets	13	-	(42,608)
Net cash inflow from investing activities		-	-
(Decrease)/Increase in cash and cash equivalents in the year		(132,485)	552,755
Cash and cash equivalents at beginning of the year		1,144,916	592,161
Total cash and cash equivalents at end of year		1,012,431	1,144,916

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
Total	1,692,096	2,085,607

3. Staff Costs

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

Average staff numbers analysed by function

	2023 Number	2022 Number
Management	6	5
Delivery & Administration	27	28
Total	33	33

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
Total	781,039	1,007,919

5. Cost of Sales

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

6. Profit on ordinary activities before taxation

	2023 £	2022 £
Profit on ordinary activities before taxation is stated after charging:		
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 £
Cost or valuation					
At 1 August 2022	136,220	660,213	247,208	14,663	1,058,304
At 31 July 2023	136,220	660,213	247,208	14,663	1,058,304
Accumulated depreciation					
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
At 31 July 2023	46,659	388,843	226,589	13,532	675,623
Net book value at 31 July 2023	89,561	271,370	20,619	1,131	382,681
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	-	-
Total	204,887	201,441

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
Total	219,007	406,011

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**

	2023 £	2022 £
Deferred capital grants	98,144	116,639
Total	98,144	116,639

11. Amounts payable under operating lease obligations

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

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