

**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**

A handwritten signature in dark ink, appearing to read 'L. Fitzgerald', is positioned above the printed name of the company secretary.

**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:

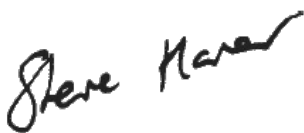
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying 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

		Unrestricted Funds	Restricted Funds	2024 Total Funds	2023 Total Funds
	Notes	£	£	£	£
<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**

		<b>2024</b>	<b>2023</b>
	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**

Profit on ordinary activities before taxation is stated after charging:	<b>2024</b> £	<b>2023</b> £
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