

**South West Apprenticeship  
Company Limited**

**Directors' report and financial  
statements**

**Period ended 31 July 2014**

**Registered number 07866797**



## Contents

|  |   |
|--|---|
| Officers and professional advisers   | 2 |
| Directors' report  | 3 |
| Statement of directors' responsibilities   | 4 |
| Independent auditor's report to the members of South West Apprenticeship Company Limited | 5 |
| Profit and loss account  | 6 |
| Balance sheet  | 7 |
| Notes  | 8 |

## **Officers and professional advisers**

### **Directors**

C Vertigen  
L Merilion  
Maria Olga Semak (appointed 25/08/14)  
Stephanie Bradley (appointed 06/06/14)

### **Secretary**

T Sarrala

### **Registered office**

City of Bristol College  
The College Green Centre  
St George's Road  
Bristol BS1 5UA

### **Bankers**

Lloyds TSB  
Canons House  
Canons Way  
Bristol, BS99 7LB

### **Auditor**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## Directors' report

The directors present their report and the audited financial statements, for the year ended 31 July 2014.

### Activities

The primary activity of the company is that of an Apprenticeship Training Agency.

### Review of developments and future prospects

The company generated a profit after tax of £2,400 (2013: Loss of £159,824), operating as an Apprenticeship Training Agency (ATA). During the year ended 31 July 2014 and after, the cost base of the company has been restructured, support services transferred to its parent (City of Bristol College) and a Financial Recovery Action Plan has been prepared. It continues to receive support from its parent.

No dividend is proposed.

### Going Concern

The company is reliant on its alliance with its parent, City of Bristol College. The directors, having assessed the responses of the trustees of the company's parent to their enquiries, have no reason to believe that a material uncertainty exists that may raise significant doubt about the ability of the company to continue as a going concern. On the basis of their assessment of the company's financial position and of the enquiries made of the trustees of the parent undertaking, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Directors' and their interests

The present membership of the Board is set out on page 2.

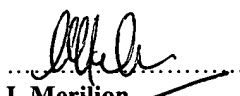
According to the register of directors' interests, none of the directors of the company had an interest in the shares of the company or any other group company during the period.

### Disclosure of information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of this information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

  
L Merilion  
Director

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH WEST APPRENTICESHIP COMPANY LIMITED**

We have audited the financial statements of South West Apprenticeship Company Limited for the year ended July 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at July 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Michael Rowley (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham, B4 6GH



27 April 2015

**Profit and loss account**  
*for the period ended 31 July 2014*

|  | <i>Note</i> | <b>2014</b><br>£ | <b>2013</b><br>£ |
|--|-------------|------------------|------------------|
| <b>Turnover</b>  | <i>1</i>    | <b>1,099,697</b> | 952,565          |
| Cost of sales  |             | <b>(832,675)</b> | (750,761)        |
| <b>Gross profit</b>  |             | <b>267,022</b>   | 201,804          |
| Administrative expenses  |             | <b>(264,788)</b> | (361,628)        |
| <b>Operating profit/(loss) and profit/(loss) on ordinary activities before bank interest</b> |             | <b>2,234</b>     | (159,824)        |
| Bank interest received   |             | <b>166</b>       | -                |
| <b>Profit/(Loss) for the financial period before taxation</b>                                | <i>3</i>    | <b>2,400</b>     | (159,824)        |
| Tax on profit on ordinary activities   | <i>5</i>    | -                | -                |
| <b>Profit/(Loss) for the financial period</b>  |             | <b>2,400</b>     | (159,824)        |

All figures related to continuing activities.

There are no recognised gains or losses for the period other than as stated above.

A statement of movement on reserves is given in note 11.

**Balance sheet**  
*at 31 July 2014*

|   | <i>Note</i> | <b>2014</b><br>£ | <b>2013</b><br>£ |
|---|-------------|------------------|------------------|
| <b>Fixed Assets</b>                                   |             |                  |                  |
| Tangible assets                                       | 6           | 1,922            | 3,052            |
| Intangible assets                                     | 7           | 4,699            | 7,668            |
|   |             | <u>6,621</u>     | <u>10,720</u>    |
| <b>Current assets</b>                                 |             |                  |                  |
| Debtors   | 8           | 63,886           | 73,950           |
| Cash at bank and in hand                              |             | 25,288           | 37,825           |
|   |             | <u>89,174</u>    | <u>111,775</u>   |
| <b>Creditors: amounts falling due within one year</b> | 9           | (309,550)        | (338,650)        |
| <b>Net current liabilities</b>                        |             | <u>(220,376)</u> | <u>(226,875)</u> |
| <b>Net liabilities</b>                                |             | <u>(213,755)</u> | <u>(216,155)</u> |
| <b>Capital and reserves</b>                           |             |                  |                  |
| Called up share capital                               | 10          | 1                | 1                |
| Profit and loss account                               | 11          | (213,756)        | (216,156)        |
| <b>Equity shareholders' funds</b>                     | 11          | <u>(213,755)</u> | <u>(216,155)</u> |

These financial statements were approved by the board of directors on 23rd April 2015 and were signed on its behalf by:



**L Merilion**  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

These financial statements have been prepared in accordance with applicable accounting standards and accounting rules under the historical cost convention.

The company is exempt by virtue of FRS 1 from the requirement to prepare a cashflow statement on the basis of it being a wholly owned subsidiary of City of Bristol College.

#### ***Going concern***

The financial statements have been prepared on a going concern basis, notwithstanding that the company had net liabilities at 31 July 2014, since the company's parent, City of Bristol College, has agreed to continue to provide any necessary financial support for a minimum of a year from the date of approval of these financial statements.

#### ***Turnover***

Turnover is shown exclusive of VAT. All turnover arises in the United Kingdom from the principal activity of the company, which is the provision of training and consultancy services.

#### ***Taxation***

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Related party transactions***

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 (revised) from the requirement to disclose related party transactions with entities that are part of the group.

#### ***Tangible fixed assets***

Equipment is capitalised at cost. Equipment costing less than £100 per individual item is written off to the profit and loss account in the period of acquisition. Capitalised equipment is depreciated over its useful economic life as follows:

|                    |   |               |
|--------------------|---|---------------|
| Computer equipment | - | 25% per annum |
| General equipment  | - | 25% per annum |

#### ***Intangible fixed assets***

Software licences are amortised over their estimated useful life of 4 years.

## Notes (continued)

### 2 Profit on ordinary activities before taxation

|  | 2014<br>£ | 2013<br>£ |
|--|-----------|-----------|
| Profit on ordinary activities before taxation is after charging: |           |           |
| Auditors' remuneration - audit fees                              | 4,500     | 4,500     |

### 3 Directors

One director was remunerated for services provided during the period, as follows:

|                       | 2014<br>£     | 2013<br>£     |
|-----------------------|---------------|---------------|
| Gross pay             | 41,527        | 31,875        |
| Pension contributions | 135           | 2,000         |
|                       | <u>41,662</u> | <u>33,875</u> |

The pension contributions were for a money purchase scheme, funded jointly by the director and company. At the balance sheet date, £nil (2013: £nil) of pension contributions were outstanding and are included within creditors.

The remaining directors were remunerated by the parent, City of Bristol College. It is not practicable to allocate their remuneration between their services as executives of City of Bristol College and their services as directors of other group companies.

### 4 Staff costs

The company had the following staffing costs and employees:

|                                   | 2014<br>£        | 2014<br>Staff Numbers |
|-----------------------------------|------------------|-----------------------|
| Apprentices                       | 824,677          | 86                    |
| Administration and training staff | 196,794          | 8                     |
|                                   | <u>1,021,471</u> | <u>94</u>             |

|                                   | 2013<br>£        | 2013<br>Staff Numbers |
|-----------------------------------|------------------|-----------------------|
| Apprentices                       | 750,006          | 88                    |
| Administration and training staff | 266,596          | 13                    |
|                                   | <u>1,016,602</u> | <u>101</u>            |

**Notes (continued)**

**5 Taxation**

|   | 2014<br>£ | 2013<br>£ |
|---|-----------|-----------|
| Profit/(Loss) on ordinary activities before tax                     | 2,400     | (159,824) |
| Tax on Profit/(Loss) at standard rate of tax of 22.33 % (2013: 20%) | 536       | (31,965)  |
| Expenses not deductible for tax purposes                            | -         | 19        |
| Capital allowances for period in excess of depreciation             | 269       | 821       |
| Movement in short term timing differences                           | (805)     | (368)     |
| Increase in tax losses  | -         | 31,493    |
| Corporation tax charge for year                                     | -         | -         |

**6 Fixed assets**

|                                   | Equipment<br>£ |
|-----------------------------------|----------------|
| <b>Cost</b>                       |                |
| At 1 August 2013 and 31 July 2014 | 4,493          |
| <b>Amortisation</b>               |                |
| At 1 August 2013                  | 1,441          |
| Charge for the period             | 1,130          |
| At 31 July 2014                   | 2,571          |
| <b>Net Book Value</b>             |                |
| At 31 July 2014                   | 1,922          |
| At 31 July 2013                   | 3,052          |

## Notes (continued)

### 7 Intangible fixed assets

|                                   | Software<br>licences<br>£ |
|-----------------------------------|---------------------------|
| <i>Cost</i>                       |                           |
| At 1 August 2013 and 31 July 2014 | 11,875                    |
| <i>Amortisation</i>               |                           |
| At 1 August 2013                  | 4,207                     |
| Charge for the period             | 2,969                     |
| At 31 July 2014                   | 7,176                     |
| <i>Net Book Value</i>             |                           |
| At 31 July 2014                   | 4,699                     |
| At 31 July 2013                   | 7,668                     |

### 8 Debtors

|               | 2014<br>£ | 2013<br>£ |
|---------------|-----------|-----------|
| Trade debtors | 62,502    | 73,950    |
| Other debtors | 1,384     | -         |
|               | 63,886    | 73,950    |

### 9 Creditors: amounts falling due within one year

|                                    | 2014<br>£ | 2013<br>£ |
|------------------------------------|-----------|-----------|
| Trade Creditors                    | 7,587     | 3,741     |
| Amounts owed to parent undertaking | 205,531   | 221,490   |
| Taxation and social security       | 8,760     | 7,886     |
| Accruals & Deferred Income         | 87,672    | 105,533   |
|                                    | 309,550   | 338,650   |

## Notes (continued)

### 10 Share capital

|   | 2014<br>£         | 2013<br>£         |
|---|-------------------|-------------------|
| <i>Authorised</i>                           |                   |                   |
| 100 ordinary shares of £1 each              | 100               | 100               |
|   | <u>          </u> | <u>          </u> |
| <i>Called up, allotted and not yet paid</i> |                   |                   |
| 1 ordinary share of £1 each                 | 1                 | 1                 |
|   | <u>          </u> | <u>          </u> |

### 11 Reconciliation of movements in shareholders' funds

|  | Called up<br>share<br>capital<br>£ | Profit and<br>loss account<br>£ | Total<br>2014<br>£ | Total<br>2013<br>£ |
|--|------------------------------------|---------------------------------|--------------------|--------------------|
| At the beginning of the financial year         | 1                                  | (216,156)                       | (216,155)          | (56,331)           |
| Profit/(Loss) after tax for the financial year | -                                  | 2,400                           | 2,400              | (159,824)          |
|  | <u>          </u>                  | <u>          </u>               | <u>          </u>  | <u>          </u>  |
| At the end of the financial year               | 1                                  | (213,756)                       | (213,755)          | (216,155)          |
|  | <u>          </u>                  | <u>          </u>               | <u>          </u>  | <u>          </u>  |

### 12 Ultimate parent undertaking and controlling party

At 31 July 2014 the directors considered City of Bristol College to be the ultimate parent undertaking and controlling party. A copy of its financial statements may be obtained from City of Bristol College, The College Green Centre, St George's Road, Bristol, BS1 5UA.