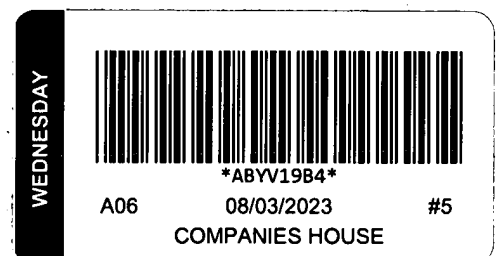


South West Apprenticeship Company Limited

Directors' report and financial statements

Year ended 31 July 2022

Registered number 07866797



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Officers and professional advisers

Directors

C Vertigen
L Menzies
R Harris
J Ward – Appointed 9 September 2021
A Forbes – Resigned 9 September 2021

Secretary

J Ward – Resigned 9 September 2021
E Gorman – Appointed 9 September 2021

Registered office

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

Banker

Lloyds TSB
Canons House
Canons Way
Bristol, BS99 7LB

Auditor

Haines Watts Accountants (Exeter) Limited
Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Directors' report

The directors present their report and the audited financial statements for the year ended 31 July 2022.

Activities

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

Review of developments and future prospects

The company generated a profit after tax of £79,425 (2021: £38,515) during the year ended 31 July 2022.

No dividend is proposed.

Going Concern

Notwithstanding net current liabilities of £124,369 as at 31 July 2022 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its own cash generation and continued support from its parent undertaking, City of Bristol College, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on City of Bristol College not withdrawing financial support during that period. City of Bristol College has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors' and their interests

The 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.

Directors' report (continued)

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 auditor is 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 auditor is aware of this information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Haines Watts Accountants (Exeter) Limited will therefore continue in office.

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A.



.....
R Harris
Director
City of Bristol College
The College Green Centre
St George's Road
Bristol BS1 5UA

12 December 2022
Date.....

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), including Section 1A of 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 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 South West Apprenticeship Company Limited

Opinion

We have audited the financial statements of South West Apprenticeship Company Limited (the 'company') for the year ended 31 July 2022 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity 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 company's affairs as at 31 July 2022 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 directors determine 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 directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud and error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant: UK Corporate Tax laws, Occupational Health and Safety regulations, Employment Law and GDPR.
- We obtained an understanding of how the Company are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - Identifying and assessing the controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular in relation to accruals, prepayments depreciation and amortisation;
 - Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
 - Assessing the extent of compliance with the relevant laws and regulations

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

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. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Benjamin de Cruz

Benjamin De Cruz (Senior Statutory Auditor)
for and on behalf of Haines Watts Accountants (Exeter) Limited
Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 14 December 2022

Profit and loss account
for the year ended 31 July 2022

	<i>Note</i>	2022 £	2021 £
Turnover		1,385,014	845,390
Cost of sales		(1,085,627)	(630,219)
Gross profit		299,387	215,171
Administrative expenses		(219,962)	(176,656)
Operating profit on ordinary activities before bank interest		79,425	38,515
Bank interest received		-	-
Profit for the financial period before taxation	2	79,425	38,515
Tax on profit on ordinary activities	5	-	-
Profit for the financial period after taxation		79,425	38,515

Other Comprehensive Income:

There were no recognised gains or losses other than the gain attributable to the shareholder of the company of £79,425 in the year ended 31 July 2022 (2021: £38,515).

All amounts relating to continuing activities.

The notes on pages 12 to 18 form part of the financial statements.

Balance sheet
at 31 July 2022

	<i>Note</i>	2022	2021
		£	£
Fixed Assets			
Intangible assets	6	4,207	4,207
		<hr/>	<hr/>
		4,207	4,207
Current assets			
Debtors	7	86,283	48,518
Cash at bank and in hand		67,356	28,714
		<hr/>	<hr/>
		153,639	77,232
Creditors: amounts falling due within one year	8	(278,008)	(281,026)
Net current liabilities		(124,369)	(203,794)
		<hr/>	<hr/>
Net liabilities		(120,162)	(199,587)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		(120,163)	(199,588)
		<hr/>	<hr/>
Equity shareholders' deficit		(120,162)	(199,587)
		<hr/>	<hr/>

The notes on pages 12 to 18 form part of the financial statements.

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

These financial statements were approved by the board of directors on 12/12/2022 and were signed on its behalf by:



R Harris

Director

Date 12 December 2022

Registered number 07866797

Statement of Changes in Equity
at 31 July 2022

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2020	1	(238,103)	(238,103)
Profit for the year	-	38,515	38,515
Balance at 31 July 2021	1	(199,588)	(199,587)
	<hr/>	<hr/>	<hr/>
Balance at 1 August 2021	1	(199,588)	(199,587)
Profit for the year	-	79,425	79,425
Balance at 31 July 2022	1	(120,163)	(120,162)
	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 18 form part of the financial statements.

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

The South West Apprenticeship Company Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") including the provisions of section 1A "small entities" and the Companies Act 2006.

The presentation currency of these financial statements is sterling.

South West Apprenticeship Company Limited's parent undertaking, City of Bristol College, includes the Company in its consolidated financial statements. The consolidated financial statements of City of Bristol College are prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from <http://www.cityofbristol.ac.uk/about-us/financial-information>. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 Section 1A in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation; and
- Related Party Disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Estimates and judgments

In preparing these financial statements, no significant estimates and judgements have been made.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Notwithstanding net current liabilities of £124,369 as at 31 July 2022 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its own cash generation and continued support from its parent undertaking, City of Bristol College, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on City of Bristol College not withdrawing financial support during that period. City of Bristol College has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes *(continued)*

1 **Accounting policies** *(continued)*

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes (continued)

1 Accounting policies (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Intangible fixed assets

Software licences and software are amortised over the shorter of the license period or estimated useful life of 4 years.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Profit on ordinary activities before taxation

	2022 £	2021 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration - audit fees	2,720	4,000

3 Directors

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

	2022 £	2021 £
Gross pay	46,837	45,613
Pension contributions	4,067	4,058
	<u>50,904</u>	<u>49,671</u>

At the balance sheet date, £nil (2021: £nil) of pension contributions were outstanding and are included within creditors.

The remaining directors were either unpaid or 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.

Notes (continued)

4 Staff costs

The company had the following staffing costs and employees:

	2022 £	2022 Staff Numbers
Apprentices	1,086,335	91
Administration and training staff	181,474	5
	<u>1,267,809</u>	<u>96</u>
	2021 £	2021 Staff Numbers
Apprentices	628,431	44
Administration and training staff	148,518	4
	<u>776,949</u>	<u>48</u>

The company has applied the exemptions available in respect of the disclosure of Key Management Personnel compensation.

5 Taxation

The tax charge is made up as follows:

	2022 £	2021 £
Current tax		
UK corporation taxation at 19% (2020: 19%)	14,978	7,181
	<u>14,978</u>	<u>7,181</u>
Deferred tax		
Origination and reversal of timing differences	(14,978)	(7,181)
	<u>(14,978)</u>	<u>(7,181)</u>
Total tax charge	-	-

As at 31 July 2022 there was an un-provided deferred tax asset of £9,747 (2021: £24,838)

Notes (continued)

5 Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is the same (2021: same) as the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	79,425	38,515
	<u>79,425</u>	<u>38,515</u>
Tax on Profit at standard rate of tax of 19% (2021: 19%)	15,091	7,318
Capital allowances for period in excess of depreciation	(113)	(137)
Movement in short term timing differences	-	-
Reduction in tax losses	(14,978)	(7,181)
	<u>(14,978)</u>	<u>(7,181)</u>
Corporation tax charge for year	-	-
	<u>-</u>	<u>-</u>

6 Intangible fixed assets

	Software licences £
Cost	
At 1 August 2021	5,407
Additions during the year	-
Cost at 31 July 2022	<u>5,407</u>
Amortisation	
At 1 August 2021	1,200
Charge for the period	-
Eliminated on disposal	-
	<u>-</u>
At 31 July 2022	<u>1,200</u>
Net Book Value	
At 31 July 2021	4,207
	<u>4,207</u>
At 31 July 2022	4,207

Notes (continued)

7 Debtors

	2022	2021
	£	£
Trade debtors	82,297	42,731
Prepayments	3,986	3,203
Other debtors	-	2,584
	<u>86,283</u>	<u>48,518</u>

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	3,200	4,720
Amounts owed to parent undertaking	209,110	222,938
Taxation and social security	15,325	14,944
Accruals & Deferred Income	36,895	37,003
Amounts owed to fellow group undertaking	-	-
Other creditors	13,478	1,421
	<u>278,008</u>	<u>281,026</u>

The amount owed to City of Bristol College is repayable on demand and is non-interest bearing.

At the balance sheet date, £978 (2021: £1,421) of pension contributions were outstanding and are included within other creditors.

9 Share capital

	2022	2021
	£	£
<i>Called up, allotted and not yet paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

10 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pensions cost charge represents contributions payable by the company to the existing scheme.

Notes *(continued)*

11 Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS102 Section 1A Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of City of Bristol College, whose financial statements are publicly available.

12 Ultimate parent undertaking and controlling party

At 31 July 2022 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.