

REGISTERED COMPANY NUMBER: 03513280 (England and Wales)
REGISTERED CHARITY NUMBER: 1071609

Group Report of the Trustees and
Consolidated Financial Statements for the Year Ended 31 March 2023
for
Maritime + Engineering
College North West

Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

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for the Year Ended 31 March 2023

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Report of the Trustees
for the Year Ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). As a charity registered in England and Wales, the charitable company also reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2015.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the company in the year under review was that of the provision, through partnership, of technical training in engineering, manufacturing, construction and related skills, primarily through apprenticeships. MECNW (trading as The Engineering College) is a Group Training Association (GTA). GTAs are employer led, charity based industrial training companies, set up by the local engineering business community to meet their collective technical skills and educational needs. MECNW is one of the leading GTAs in a national network of approximately 30 similar GTA organisations across England.

Significant activities

MECNW (The Engineering College) is an innovative education, training and enterprise centre, which has an extensive range of well-equipped engineering manufacture and construction workshops, as well as CAD/ CAM/ IT and Simulation suites. Adjacent classrooms are outfitted with information technology equipment to enable computer-aided design and web-based learning and research to complement the hands-on training in an overall "design and make" process. MECNW as a GTA also offers technical training and assessment to the clients existing workforce on a commercial basis to support the mainstream charitable activity by providing a conduit for young people to access high value careers in the engineering sectors.

Education and training programmes are further enhanced by the availability of the dry dock facility, which has direct access from the River Mersey. MECNW (The Engineering College) is therefore a unique training provider, which enables services to be offered to meet the challenging demands of employers in the 21st century.

Public benefit

In planning its objectives and activities for the year ended the charity has kept in mind the Charity Commission guidance on public benefit at its trustees' meetings.

The charity's objectives are to develop technical skills through education and training courses. The charity assists many young people to gain employment through apprenticeships and subsequently to develop industry related skills, obtain relevant qualifications and in turn contribute to the engineering community as skilled labour. Pre-employment programmes which include technical skills development are also offered to improve employment prospects for other young people awaiting an apprenticeship opportunity.

Report of the Trustees
for the Year Ended 31 March 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

MECNW (The Engineering College):

- is a centre of excellence, which meets employer demand for quality training and works in partnership for mutual benefit. The core product is Advanced and Higher Apprenticeships delivered in accordance with apprenticeship Standards within the engineering, manufacturing, engineering-construction, and the energy sectors. Pre-apprenticeship courses support progression into apprenticeships and employment. There is also a range of commercial programmes for those in employment within the engineering, manufacturing, engineering construction and energy sectors.
- is a currently graded 3 (requires improvement) under Ofsted's current inspection framework, and retains many of its outstanding features including excellent skills development for learners; excellent facilities; very good health and safety practice and very effective partnership working with employers at local, regional and national levels.
- retains its Investors in People Gold status for the third consecutive assessment and is approved and accredited by a range of professional bodies and institutions within the sectors covered including IET, IMechE, IMarEst, City&Guilds, EAL, ECITB, Pearson Group, and the Welding Institute (TWI)
- is an active and leading member of GTA England (Group Training Associations), with representation by the CEO on the board of directors of the national network of c30 companies of similar business models which includes the training divisions of several multi-national manufacturing businesses. MECNW (The Engineering College) performs in the upper quartile for financial performance and leads in the development of good and innovative practices.
- has developed a commercial welding centre which has endorsements and approvals from the Welding Institute (TWI) and has opened a cross sector skills technical skills training and assessment centre which offers technical assessment services across the country to other apprentice training providers.
- has invested significantly in new technology and virtual reality suites to service the advanced manufacturing, digital technologies sectors, aligning the business to the aspirations of the LCR Local Enterprise Partnership (Manufacturing)
- is working in partnership with government and employers in the Grand Bahamas to develop and deliver innovative technical apprenticeships and technical assessments of existing staff in heavy engineering.

MECNW (The Engineering College) is not just another training provider with excellent facilities. It acts as a genuine conduit for the local community to access real jobs in sectors offering rewarding careers for a qualified workforce and acts in many respects as the voice of the engineering, manufacturing, construction and energy sectors in the local community. Innovation in developing skills solutions is very much a part of the company's portfolio of services and MECNW (The Engineering College) is in the vanguard of national developments working in a range of employer representative groups (formerly called Trailblazers) with large employers and government staff to create the new Apprenticeship Standards for England.

MECNW (The Engineering College) has delivered over circa 1500 new young engineers to the sector so far and is growing by reputation to be the training provider of choice for the local engineering, manufacturing, construction and energy sectors in the Liverpool City Region and wider North West. MECNW (The Engineering College) and is influential in the local engineering and further education communities and respected by the sector for strong employer engagement, strategic leadership and innovative approaches to developing new solutions for clients.

Financial review

Principal funding sources

The principal funding source of MECNW (The Engineering College) is the Education and Skills Funding Agency (ESFA) and the Apprenticeship Levy (administered by ESFA).

STRATEGIC REPORT

Financial review

Reserves policy

The trustees of the charity recognise that there will be fluctuations in the charity's income, which can often be as a result of events outside their control. It is the policy of the trustees to build up and maintain a sufficient level of reserves to enable the charity to continue and to allow it to explore and secure alternative levels of funding should unexpected events occur.

The present funding arrangements are generally agreed in advance for the following twelve months. There can however be delays in receiving funds and in addition some of the commercial aspects of the charity's activities are not known with certainty in advance. For these reasons, the trustees consider that reserves should be held at a level to enable the charity to continue for a minimum of four months without additional sources of revenue.

Unrestricted funds at the year end total £1,097,989 of which £318,203 related to fixed assets.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is a registered charity and a company limited by guarantee. It was incorporated on 13 February 1998 and is governed by its Memorandum and Articles of Association.

Trading name - 'The Engineering College'

Whilst Maritime and Engineering College North West remains the registered company name at Companies House and with The Charity Commission, the company operates under the trading name 'The Engineering College'.

Recruitment and appointment of new trustees

The Board keeps the skill requirements for the Trustee Body under review and in the event that a trustee permanently retires or additional new trustees are required, the Board sets up a nominations sub-committee to recruit the new trustee(s). New trustees may be appointed through dialogue with the major institutions with which the company engages.

Organisational structure

The Trustees listed below were the members of the company, and represented the interests of Wirral Borough Council, the Lairdside area and the private sector. The trustees are appointed by the Board. There is no maximum number but the minimum number is three (agreed at the Board review in Autumn 2020).

The trustees meet approximately four times per year, and at their meetings agree the broad strategy and areas of activity of the company, including consideration of investment, reserves and risk management policies and performance. The day to day administration of the company is delegated to the Chief Executive Officer.

New Memorandum and Articles were filed at Companies House in 2021. The new Memorandum and Articles state that all Trustees are on appointment the Members of the Company.

Environment

The Engineering College ensures that it is compliant with current legislation and maintains an up to date Environmental and Sustainability Policy to ensure that it is monitoring the introduction of new or modified legislation. The Engineering College works within the guidelines of the enforcing agencies for England and Wales.

Induction and training of new trustees

The induction process for any newly-appointed trustee comprises an initial meeting with the Chair, the Board and Chief Executive Officer, followed by a series of short meetings with the Chief Executive. The welcome pack typically includes a brief history of the company, copy Board and sub-committee minutes, a copy of the last three years' annual report and accounts, a copy of the Memorandum and Articles of Association and a copy of the Charity Commission's guidance "The Essential Trustee: What You Need to Know."

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Related parties

The charity has a subsidiary MEC North West Enterprises Limited, which operates certain trading activities. The surplus, if any, generated by the subsidiary is given by way of gift aid, to the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03513280 (England and Wales)

Registered Charity number

1071609

Registered office

Finance Department
2nd Floor
Monks Ferry
Birkenhead
CH41 5LH

Trustees

I C Higby Company Director
Councillor L A Rennie Elected member
Mrs K Podmore Company Director
C A Lavelle Solicitor
Mrs M Barker
A Evans
M Hill (appointed 15.7.22)

Company Secretary

J S Weatherall

Auditors

Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

Bankers

National Westminster Bank
6 Grange Road West
Charing Cross
Birkenhead
CH41 4DF

Solicitors

Bermans LLP
Exchange Station
Tithebarn Street
Liverpool
L2 2QP

Chief Executive Officer

T Weston

Report of the Trustees
for the Year Ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Maritime + Engineering College North West for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

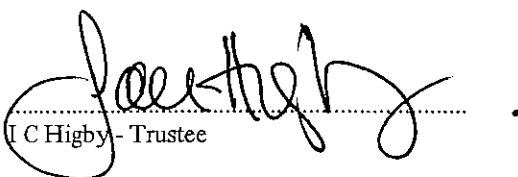
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on31.08.2023..... and signed on the board's behalf by:


I C Higby - Trustee

Opinion

We have audited the financial statements of Maritime + Engineering College North West (the 'charitable company') and its subsidiary ('the group') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with 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 charitable company and group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of a least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent 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 Group's Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group's Report of the Trustees 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 group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 by the Charitable parent company or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable parent 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 Group's and 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.

Our 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 a Report of the Independent Auditors 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:

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principle risks were related to inflated income and surplus.

Our responsibilities for the audit of the financial statements (continued)

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation.
- review of any correspondence with legal advisors, and enquiries of management and those charged with governance around actual and potential litigation and claims
- enquiries with company's staff to identify any instances with non-compliance with laws and regulations
- enquiries of management and review of monthly management accounts and reports in so far as they related to the financial statements
- testing of journals and evaluating, whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud, and evaluating the business rationale of significant transactions outside the normal course of business
- undertaking detailed substantive testing of material items and a sample of other items
- consideration of the reasonableness of the figures and analytical review, including comparison with previous years and expected trends
- review of the compliance with and effectiveness of internal controls

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is 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 collusion.

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 Independent Auditors.

Use of our report

This report is made solely to the charitable parent 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 auditors' 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.

M. Forshaw

Michael Forshaw BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

Date: 31.08.2023.

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Education & Training		2,185,782	-	2,185,782	1,978,831
Other operating income	2	281,537	-	281,537	303,864
Total		2,467,319	-	2,467,319	2,282,695
EXPENDITURE ON					
Charitable activities	4				
Education & Training		2,424,338	-	2,424,338	2,231,290
NET INCOME		42,981	-	42,981	51,405
RECONCILIATION OF FUNDS					
Total funds brought forward		1,055,008	-	1,055,008	1,003,603
TOTAL FUNDS CARRIED FORWARD		1,097,989	-	1,097,989	1,055,008

The notes form part of these financial statements

Consolidated and Charity Balance Sheet
31 March 2023

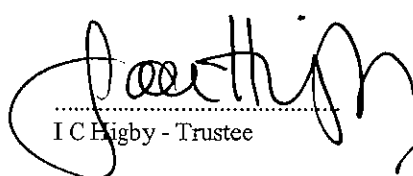
		2023 Group	2022 Group	2023 Charity	2022 Charity
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8	318,203	360,475	318,203	360,475
Investments	9	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
		318,203	360,475	318,205	360,477
CURRENT ASSETS					
Debtors	10	545,828	439,621	536,826	430,619
Cash at bank		<u>407,909</u>	<u>424,020</u>	<u>407,909</u>	<u>424,022</u>
		953,737	863,641	944,735	854,641
CREDITORS					
Amounts falling due within one year	11	(145,520)	(130,677)	(136,520)	(121,679)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>808,217</u>	<u>732,964</u>	<u>808,215</u>	<u>732,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,126,420	1,093,439	1,126,420	1,093,439
CREDITORS					
Amounts falling due after more than one year	12	(28,431)	(38,431)	(28,431)	(38,431)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>1,097,989</u>	<u>1,055,008</u>	<u>1,097,989</u>	<u>1,055,008</u>
FUNDS	16				
Unrestricted funds				<u>1,097,989</u>	<u>1,055,008</u>
TOTAL FUNDS				<u>1,098,989</u>	<u>1,055,008</u>

As permitted by s408 Companies Act 2006, the company has not presented its own statement of financial activities as it prepares group accounts. The company's net income for the financial year was £42,981 (2022: £51,405)

The financial statements were approved by the Board of Trustees and authorised for issue on 31.08.2023 and were signed on its behalf by:



C A Lavelle - Trustee



I C Higby - Trustee

The notes form part of these financial statements

Maritime + Engineering
College North West

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	28,979	46,760
Interest paid		(2,247)	(3,112)
Interest element of finance lease payments paid		<u>(648)</u>	<u>(1,786)</u>
Net cash provided by operating activities		<u>26,084</u>	<u>41,862</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(32,197)</u>	<u>(33,263)</u>
Net cash used in investing activities		<u>(32,197)</u>	<u>(33,263)</u>
Cash flows from financing activities			
Loan repayments in year		(10,000)	(15,131)
Capital repayments in year		<u>-</u>	<u>(111)</u>
Net cash provided by/(used in) financing activities		<u>(10,000)</u>	<u>(15,242)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(16,111)	(6,643)
Cash and cash equivalents at the beginning of the reporting period		<u>424,020</u>	<u>430,663</u>
Cash and cash equivalents at the end of the reporting period		<u>407,909</u>	<u>424,020</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23 £	31.3.22 £
Net income for the reporting period (as per the Statement of Financial Activities)	42,981	51,405
Adjustments for:		
Depreciation charges	74,469	69,593
Interest paid	2,247	3,112
Interest element of hire purchase and finance lease rental payments	648	1,786
Loss/(profit) on disposal	-	29,183
(Increase)/decrease in debtors	(115,036)	(142,726)
(Decrease)/increase in creditors	23,670	34,408
Net cash provided by operations	28,979	46,760

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	424,020	(16,111)	407,909
	424,020	(16,111)	407,909
Debt			
Debts falling due within 1 year	(8,235)	-	(8,235)
Debts falling due after 1 year	(38,431)	10,000	(28,431)
	(46,666)	10,000	(36,666)
Total	377,354	(6,113)	371,243

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Company information

Maritime + Engineering College North West is a private company limited by guarantee incorporated in England and Wales. The registered office is 2nd Floor, Monks Ferry, Birkenhead, CH41 5LH.

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The Statement of Financial Activities and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results, assets and liabilities of the subsidiaries are consolidated on a line by line basis.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Income

All incoming resources are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activities

Income from apprentice training are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in relevant funds on the balance sheet.

Where received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before the income is received, the income is accrued and included in debtors as deferred income.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions) where the receipt is probable and the amount can be measured reliably.

Other income

Other income included the hire of facilities, is recognised in the period it is receivable and to the extent that the Charity has provided the goods or services.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include the costs attributable to the compliance with constitutional and statutory requirements, including audit, strategic management and other professional costs.

The notes form part of these financial statements

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are measured at their original cost value. Cost value includes all costs expended in bring the asset into its intended working condition. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, or if held under finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 2.5% on cost
Plant and machinery	- 20% on reducing balance and 20% on cost
Fixtures and fittings	- various rates between 10% and 60% on cost
Motor vehicles	- 6 year straight line

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Irrecoverable vat

Irrecoverable VAT is treated as a separate expense and charged to income and expenditure.

Fixed asset investments

In the separate accounts of the Charity, interests in subsidiaries are initially measured at cost and subsequently measured are cost less impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in the statements of financial activities.

2. OTHER OPERATING INCOME

	Group 31.3.23 £	Group 31.3.22 £	Charity 31.3.23 £	Charity 31.3.22 £
Commercial Training	143,537	165,864	-	-
Rents received	138,000	138,000	138,000	138,000
	<u>281,537</u>	<u>303,864</u>	<u>138,000</u>	<u>138,000</u>

The notes form part of these financial statements

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

3. INCOME FROM CHARITABLE ACTIVITIES

Activity		Group 31.3.23 £	Group 31.3.22 £	Charity 31.3.23 £	Charity 31.3.22 £
Modern Apprentice Training - engineering	Education & Training	1,966,424	1,719,888	1,966,424	1,719,888
Other income	Education & Training	134,358	173,943	134,358	173,943
Schools	Education & Training	85,000	85,000	85,000	85,000
		<u>2,185,782</u>	<u>1,978,831</u>	<u>2,185,782</u>	<u>1,978,831</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Education & Training	<u>2,424,338</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Group 31.3.23 £	Group 31.3.22 £	Charity 31.3.23 £	Charity 31.3.22 £
Depreciation – owned assets	74,469	69,592	74,468	69,592
Loss on disposal	-	29,183	-	29,183
Hire of plant and machinery	33,991	35,164	33,991	35,164
Auditor's remuneration	<u>12,650</u>	<u>13,530</u>	<u>11,000</u>	<u>11,925</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

During the year to 31 March 2023 no trustees were paid remuneration (2022 - £nil).

Trustees' expenses

During the year to 31 March 2023 no trustees were reimbursed expenses (2022 - £nil).

7. STAFF COSTS

Group and Charity	31.3.23 £	31.3.22 £
Wages and salaries	1,251,466	1,085,217
Social security costs	120,079	99,833
Other pension costs	82,358	94,339
	<u>1,453,903</u>	<u>1,279,388</u>

The average monthly number of employees during the year was as follows:

	31.3.23	31.3.22
Average monthly number of employees	<u>45</u>	<u>43</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

7. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.23	31.3.22
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

Group and Charity:

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2022	25,000	497,242	949,902	-	1,472,144
Additions	-	-	16,947	15,250	32,197
Disposals	<u>-</u>	<u>(294,819)</u>	<u>(36,679)</u>	<u>-</u>	<u>(331,498)</u>
At 31 March 2023	<u>25,000</u>	<u>202,423</u>	<u>930,170</u>	<u>15,250</u>	<u>1,172,843</u>
DEPRECIATION					
At 1 April 2022	25,000	433,978	652,691	-	1,111,669
Charge for year	-	10,555	62,431	1,483	74,469
Eliminated on disposal	<u>-</u>	<u>(294,819)</u>	<u>(36,679)</u>	<u>-</u>	<u>(331,498)</u>
At 31 March 2023	<u>25,000</u>	<u>149,714</u>	<u>678,443</u>	<u>1,483</u>	<u>854,640</u>
NET BOOK VALUE					
At 31 March 2023	<u>-</u>	<u>52,709</u>	<u>251,727</u>	<u>13,767</u>	<u>318,203</u>
At 31 March 2022	<u>-</u>	<u>63,264</u>	<u>297,211</u>	<u>-</u>	<u>360,475</u>

9. FIXED ASSET INVESTMENTS

	Group 31.3.23 £	Group 31.3.22 £	Charity 31.3.23 £	Charity 31.3.22 £
Investments in subsidiaries	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
				Shares in group undertakings £
MARKET VALUE				
At 1 April 2022 and 31 March 2023				<u>2</u>
NET BOOK VALUE				
At 31 March 2023				<u>2</u>
At 31 March 2022				<u>2</u>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

9. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies include the following:

MEC North West (Enterprises) Limited

Registered office:

Nature of business: Provision of training courses

Class of share:	%
Ordinary shares	holding 100

	31.3.23	31.3.22
	£	£
Aggregate capital and reserves	<u>2</u>	<u>2</u>

A summary of the financial statements of the subsidiaries is :

	31.3.23	31.3.22
	£	£
Turnover	143,537	165,864
Expenses	(143,537)	(165,864)
Net profit for the year	<u>-</u>	<u>-</u>

Fixed asset investments are stated at cost less provision for diminution in value.

Maritime + Engineering College North West also has two dormant subsidiaries, The Engineering College Limited and The Engineering College Enterprises Limited.

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	Group	Charity	Charity
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade debtors	117,263	113,199	90,017	96,849
Other debtors	900	1,200	900	1,200
Prepayments	71,718	75,930	68,445	70,590
Accrued income	355,947	249,292	355,947	249,292
Amounts owed to group undertakings	-	-	21,517	12,688
	<u>545,828</u>	<u>439,621</u>	<u>536,826</u>	<u>430,619</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	Group	Charity	Charity
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Other loans (see note 13)	8,235	8,235	8,235	8,235
Trade creditors	65,861	60,931	65,861	60,931
Social security & other taxes	31,898	26,780	31,898	26,780
VAT	2,277	3,188	2,277	3,188
Other creditors	7,709	1,597	7,709	1,597
Accrued expenses	29,540	29,946	20,540	20,948
	<u>145,520</u>	<u>130,677</u>	<u>136,520</u>	<u>121,679</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 31.3.23 £	Group 31.3.22 £	Charity 31.3.23 £	Charity 31.3.22 £
Other loans (see note 13)	<u>28,431</u>	<u>38,431</u>	<u>28,431</u>	<u>38,431</u>
	<u>28,431</u>	<u>38,431</u>	<u>28,431</u>	<u>38,431</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.3.23 £	31.3.22 £
Amounts falling due within one year on demand:		
Other loans	<u>8,235</u>	<u>8,235</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>28,431</u>	<u>38,431</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.23 £	31.3.22 £
Within one year	23,242	32,121
Between one and five years	48,385	71,628
	<u>71,627</u>	<u>103,749</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	1,055,008	42,981	1,097,989
TOTAL FUNDS	<u>1,055,008</u>	<u>42,981</u>	<u>1,097,989</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,467,319	(2,424,338)	42,981
TOTAL FUNDS	<u>2,467,319</u>	<u>(2,424,338)</u>	<u>42,981</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	1,003,603	51,405	1,055,008
TOTAL FUNDS	<u>1,003,603</u>	<u>51,405</u>	<u>1,055,008</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,282,695	(2,231,290)	51,405
TOTAL FUNDS	<u>2,282,695</u>	<u>(2,231,290)</u>	<u>51,405</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

16. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the Statement of Financial Activities as they accrue. The charge for the year was £82,358 (2022 - £94,339) and at 31 March 2023 pension contributions of £7,709 (2022: £1,797) were payable and included within other creditors.

17. ULTIMATE CONTROLLING PARTY

The company is controlled by the Board of Trustees.

18. MEMBERS GUARANTEE

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 4. In the event of the charity being wound up, the liability in respect of the guarantee is limited by £1 per member of the charity.

19. LONG LEASEHOLD PROPERTY

The company operates from a long leasehold property, under the terms of a 125 year lease (subject to a peppercorn rent), which commenced in 1999. This lease is treated as an operating lease.