

Registered number: 04274770
Charity number: 1091711

INDEPENDENT TRAINING SERVICES LIMITED

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

INDEPENDENT TRAINING SERVICES LIMITED

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INDEPENDENT TRAINING SERVICES LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2023

Trustees

Miss. K Dickinson, Chair

Mrs. H E Jaggar

Mr. I K Koursis (resigned 31 October 2023)

Mr. D Akeroyd (appointed 4 October 2023)

Mr. A J Parker

Mrs N Barton (appointed 5 October 2022)

Company Secretary

Mrs. H Jackson

Company registered number

04274770

Charity registered number

1091711

Registered office

Queens Court Business Centre, Regent Street, Barnsley, South Yorkshire, England, S70 2EG

Managing Director

Mr. Steve Hepworth

Independent auditors

TC Group Limited, 1 Rushmills, Northampton, NN4 7YB

Bankers

National Westminster Bank plc, 26 Market Hill, Barnsley, South Yorkshire, S70 2QE

Santander, Bootle, Merseyside, L30 4GB

Solicitors

DAC Beachcroft, St Pauls House, 23 Park Square South, Leeds, LS1 2ND

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

Chair's foreword

2022/23 has been a positive year for Independent Training Services (ITS) with a number of new contracts and projects and the ongoing development of a first-rate staff team. In year the Board of Trustees monitored closely the execution of the operational plan and our progress made delivering our 2022/23 business plan. The organisation remains focused on improving our financial health and providing the best education and training experience for our learners (students) and local businesses.

Miss. K Dickinson, Chair, Board of Trustees

Managing Directors Introduction

The financial year 2022/23 was a better trading year due to improvements in revenue and growth new projects taking place for ITS. Legacy Covid-19 factors eased and we started to return to pre pandemic ways of working especially across apprenticeship markets. Apprenticeship recruitment was the highest it has been for years and with small to medium size enterprises now engaging in apprenticeships again across service industries. ITS continued to deliver and completed two European Social Fund (ESF) contracts in year and successfully gained growth on adult loan contracts.

Due to changes made in the previous year Smartstyle Technology Training Limited also generated a positive contribution for the first year in four years. This area of the business is well positioned to move forward for future years and capitalise extensive employer engagement on funded digital contracts delivered successfully.

ITS were successful in extending European funded contracts and winning DWP contracts in 2022/23 and these have supported further financial benefits and allowed ITS to diversify the training offer and expand to a wider audience. In year additional contracts on Adult Education programmes also allowed ITS to keep continued growth in one of our key areas of provision. Introduction of a new adult loan curriculum also allowed this contract to be delivered for the first time in three years.

The quality of provision has been good overall across all contracts. Apprenticeships and adult loan courses were inspected and graded Good for the first time in 5 years by OfSTED in June 2023. Subcontracted provision has been outstanding all year delivering high levels of quality teaching and learning whilst delivering excellent outcomes for learners transforming lives. Additional support has been required for apprentices and employers in order to retain apprentices on courses. Our adult and European funded provision has been outstanding throughout the year delivering excellent outcomes for learners locally and regionally.

Our people remain passionate and committed to our core purpose and have demonstrated a positive and welcoming team approach to ensure we are stronger and have greater resilience to continue our journey.

**Steve Hepworth
Managing Director**

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their annual report together with the audited financial statements of Independent Training Services Limited (the company / ITS) for the parent company and group for the period 1 August 2022 to 31 July 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 22 August 2001. The company and the group is constituted under a Memorandum of Association, registered charity number 1091711 and company (limited by guarantee) number 4274770.

The Board of Trustees changed in 2018/19 following the acquisition by Barnsley College. The trustees monitor the organisation's performance through a formal board which meets four times a year. The Board monitors the financial and operational performance and risk management of ITS and Smartstyle, and invitations are made to other senior leadership team members as appropriate. As required by the Articles of Association, an Annual General Meeting is held on a yearly basis.

The governance model changed in 2019/20 to bring it into line with the College. There is a formal procedure for the induction and training of trustees that mirrors that of Barnsley College.

Trustees

The Trustees are appointed by the Board of Trustees. The trust deed allows for a minimum of five Trustees and no more than twelve. One third (or the number nearest one third) of the Trustees must retire each year, those longest in office retiring first. A retiring Trustee who remains qualified may be reappointed.

Meetings

The Board of Trustees meet every quarter. At the meetings, the Trustees agree the broad strategy and areas of activity of the company, including ratification of grants that are made and a review of the live risk register.

Policies and Procedures adopted for Recruitment, Induction and Training of Trustees

The Board keeps the skill requirements for the Trustee Body under review. Any recruitment of new Trustees is undertaken by open advertisement and through a dialogue with interested parties. When an individual expresses an interest in becoming a Trustee, an initial meeting is held with the Chair. A proposal to appoint a new Trustee is submitted to the Board for approval. Once an appointment has been made, the newly elected Trustee undergoes an induction programme. The company keeps up-to-date with key developments and training is provided to Trustees as and when required.

Financial Plan and Budget

The company adopts the College's business planning and performance review cycle. Business plans are completed annually and reviewed by the senior leadership team at the college. Performance reviews are completed quarterly and review all aspects of the business performance. The detailed business plan and accompanying budget are submitted for approval by the Board of Trustees on an annual basis. The day-to-day running of the company is delegated to the Managing Director, who has the power to act and take decisions, as long as they are contained within the plan. Any deviations from or additions to the plan have to receive approval from the Board of Trustees. The Managing Director submits a written report detailing progress and future planned activity to all Board meetings. The Company continues to produce an annual Self-Assessment Report (SAR) which is validated by the College and approved by the ITS Board of Trustees.

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

Our Objectives and activities

MISSION

We provide inclusive services offering training, education and lifelong learning opportunities, the achievement of appropriate qualifications and sustainable employment.

VISION

Our Vision is to Transform Lives through education and training.

PURPOSE: be the partner of choice, leading the way through innovation and excellence. We will achieve this by:

- Developing a range of products to meet the diverse needs of learners, employers, and customers.
- Ensuring our delivery is cutting edge, personalised and responsive resulting in successful outcomes.
- Sharing our success to benefit and develop our local communities.
- Ensuring that we are recognised for what we do, and the way that we do it.

Public Benefit

In pursuance of the objectives set out above the Company benefits individuals and employers in the Barnsley area and the wider community throughout the Yorkshire, Humber, and Midlands regions.

The Trustees have regard to Charity Commission guidance on public benefit when planning strategy, aims and activities.

Achievements and performance

Key achievements in 2022/23

- Regained Good inspection grade by Ofsted in June 2023.
- Successfully delivered two European contracts to deliver training across the Sheffield City Region and North East Derbyshire.
- Successfully delivered key outputs on the second year of a DWP contract.
- Retained Matrix standard for the quality of information, advice, and guidance.
- Retained Skills for Care centre of excellence standard.
- Achieved 95% on all adult education and training programmes. This is 4-year positive upward trend.
- Achieved 97% achievement on ESF subcontracted provision (650 learning aims).
- Achieved over 70% progression rate into a positive destination upon leaving training.
- Delivered ESFA Adult Education contract allocation and achieved growth for the first time in 3 years
- Achieved highest ever recruitment figures for adult education courses with over 3,000 learning aims delivered.
- Achieved highest number of apprenticeship recruitment for 4 years at 243 in 22/23.
- Doubled the apprenticeship achievement rate to over 60%

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

Learners 2022/23

Learners remain central to our focus and purpose. During 2022/23 we carried out internal learner and employer surveys.

260 learners and employers responded to our internal learner survey and the results are as follows:

The apprenticeship on programme satisfaction survey showed 93% of learners would recommend ITS as a training provider. Other key positives are:

- 100% agreed that they know how to keep themselves safe at work.
- 100% agreed that adults skills courses met their needs and helped progress into work
- 98% agreed that they were aware who to contact if they didn't feel safe.
- Overall 4.43 rating out of 5 for apprenticeship survey

Employers and clients 2022/23

Our employer base has increased in 2022/23 with the recovery of the apprenticeship market and the successful delivery of external contracts. In total ITS are currently working with over 300 employers.

An integral part of our success is the effective engagement of employers, whether they are local, regional or national. Our employer base has actively engaged with us in workforce development, apprenticeships, commercial training and pre-employment training leading to employment.

Overall 94% of employers are extremely likely to recommend ITS.

Financial Review

Overall the company realised a total income position of £1,070k, which is a decrease of 38% (£1,727k 2021/22). This is primarily due to the loss of a contract that ITS delivered last year on behalf of Barnsley College. The apprenticeship income achieved £623k in 2022/23, which is an increase of 41% (£441k 2021/22).

The group net asset position has increased from £97,135 in 2021/22 to £239,723 in 2022/23.

The ESFA financial Health for the year is Outstanding.

Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice 'Accounting and Reporting by Charities' (issued in October 2019) and applicable United Kingdom accounting standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The movement in funds is shown on the Statement of Financial Activities. The group's total funds amounted to £239,723 at 31 July 2023 (2022: £97,135).

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

Reserves Policy

The reserves of the company are composed of restricted and unrestricted funds.

Unrestricted Reserves: The Trustees are committed to building up general reserves to ensure that the core activities of the company will continue into the future. At 31 July 2023 the group has unrestricted reserves of £239,723.

Fundraising Policy

The company does not undertake any fundraising activities.

The future outlook 2023/24

ITS have started on many positives in 2022/23 that will allow for future growth and even better financial performance for 2023/24. ITS now have a platform to grow which includes apprenticeship growth, adult loan growth, commercial growth, diversification of contract delivery and reduced operating costs. Apprenticeships recruitment is now taking shape on a regional and national basis with new apprenticeships and diversification of the employers that we are engaged with. Our profile of delivery is increasing and has expanded across the North and is starting to develop in the south. Apprenticeships are currently at the highest they have been for 4 years. In addition, ITS have been successful in winning a new adult contract for the local region in 2023/24.

ITS key challenge is achieving growth, delivering budget whilst maintaining the quality of our provision.

Key priorities are listed below:

- Increase apprenticeship achievement rates to over 70%
- Achieve growth on apprenticeship recruitment numbers regionally and nationally
- Achieve growth on adult loan provision
- Continue to diversify the offer away from health and social care
- Safeguard all learners
- Maintain an outstanding adult curriculum
- Gain future additional funded contracts regionally and nationally
- Maintain Outstanding ITS financial health
- Maintain a net asset position
- Improve operating performance to generate surplus of at least 10% of income

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

Going Concern

The group balance sheet shows net assets of £239,723 (2022 £97,135) and the surplus for the year before actuarial gains was £144,588 (2022: loss of £40,455).

The going concern assessment considered the company financial operating forecasts and cash flow forecasts to July 2025. The company has sufficient cash funds throughout this period. The cash flow is sensitive to delays in cash receipts and therefore contains some risk that it will not have sufficient cash to cover its debt. Barnsley College, the parent company is comfortable based on forecasts that it has the ability to support its subsidiary entities and has confirmed they will financially support the company until for at least twelve months following from the date the financial statements are signed, including support for ITS's subsidiary Smartstyle Technology Training Limited which is in a net liabilities position at 31 July 2023. As such, the Trustees are of the view that, based on detailed budgets and cash flow forecasts, the group will be able to pay its debts as they fall due and therefore the group is a going concern.

Exemptions from disclosure

Since the company and the group qualify as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

No separate Statement of Financial Activities has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

Funds held as custodian trustee on behalf of others

The company does not hold any funds as a custodian trustee on behalf of others.

Developments

ITS have evidenced positive recruitment trends across the apprenticeship market which has resulted in the highest participation across a number of years. The main priority is to maintain this by increasing our curriculum offer and reaching a much wider geographical area for 2023/24. Continuous review of the offer and the employers we work with will allow us to maintain this positive trend.

We will also be pushing hard to gain future growth in the adult loan market which has also recovered into a positive market for ITS. Focus on gaining new direct contracts for local and regional provision will also be high on the key priorities for 2023/24.

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

Risk Management and Principal Risks

The risk management system includes an assessment of the greatest risks to the company against financial, operational and student impact which is designed to protect the company's assets and reputation.

A comprehensive review of the risks to which the company is exposed is undertaken and acknowledged in the Board Assurance Framework (BAF). The Board Assurance Framework identifies the key risks, the likelihood of those risks occurring, their potential impact on the group and the actions being taken to reduce and mitigate the risks and covers assurance gained. Systems and procedures are identified which mitigate potential impact on the company. In addition to the annual review, we will also consider any risks which may arise as a result of a new area of work being undertaken by the group.

Our historic Local Government Pension Scheme administrated by South Yorkshire Pensions Authority (SYPA) shows an actuarial position of nil. The actuary review resulted in asset position, we have under the FRS 102 accounting rules, shown this as a nil position within our balance sheet as the pension fund terms would not allow for the asset to be realised. We have agreed an annual contribution fee for current scheme members, which is shown in the SOFA. We work closely with SYPA and TC Group Limited our tax advisors, to ascertain an annual actuarial statement, to ensure we conform and comply with the FRS and HMRC treatment of multi-employer pensions' scheme.

UK Government's agency ESFA continue with their radical reform to apprenticeships, which has been planned since a review in 2012, and has resulted in a new register of training providers. The three changes included; new standards which impacts on the current delivery model; an employer levy system which impacts on the funding model; and a new procurement system which impacts the current annual contract.

INDEPENDENT TRAINING SERVICES LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Independent Training Services Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that the trustees are aware, there is no relevant audit information of which the charitable group's auditors are unaware.
- Trustee has taken all the steps that ought to have been taken as trustees in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees on 12 December 2023 and signed on their behalf by:


.....
David Akeroy
Trustee

INDEPENDENT TRAINING SERVICES LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INDEPENDENT TRAINING SERVICES LIMITED

Opinion

We have audited the financial statements of Independent Training Services Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2023 and of the group's 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 group and parent charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the trustees' report, 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.

INDEPENDENT TRAINING SERVICES LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INDEPENDENT TRAINING SERVICES LIMITED (CONTINUED)

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 trustees' report, which includes the directors' report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT TRAINING SERVICES LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INDEPENDENT TRAINING SERVICES LIMITED (CONTINUED)

Auditors' 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 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP, the Companies Act 2006, the Charities Act 2011 and Charities SORP) and the relevant tax compliance regulations in the UK.
- We understood how the group and parent charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.
- We assess the susceptibility of the group and parent charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the group and parent charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.
- Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

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 charitable 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 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.

INDEPENDENT TRAINING SERVICES LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INDEPENDENT TRAINING
SERVICES LIMITED (CONTINUED)**



Richard Buckby FCA (Senior Statutory Auditor)
for and on behalf of TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: 13/12/2023

INDEPENDENT TRAINING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 JULY 2023

		Total funds	Total Funds
	Note	2023 £	2022 £
INCOME AND ENDOWMENTS FROM:			
Charitable activities	2	1,014,359	1,672,548
Other trading activities		54,980	54,740
Other income		264	38
TOTAL INCOME		1,069,603	1,727,326
EXPENDITURE ON:			
Charitable activities		(908,730)	(1,744,082)
Other trading activities		(16,285)	(23,699)
TOTAL EXPENDITURE		(925,015)	(1,767,781)
Net income / (expenditure) before taxation		144,588	(40,455)
Taxation		-	-
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		144,588	(40,455)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		144,588	(40,455)
Actuarial gains on defined benefit pension schemes	17	308,000	443,000
Restriction of actuarial surplus	17	(310,000)	(111,000)
NET MOVEMENT IN FUNDS		142,588	291,545
RECONCILIATION OF FUNDS:			
Total funds brought forward		97,135	(194,410)
TOTAL FUNDS CARRIED FORWARD		239,723	97,135

The notes on pages 18 to 37 form part of these financial statements.

INDEPENDENT TRAINING SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	8	-		885	
				885	
CURRENT ASSETS					
Debtors	10	306,551	295,183		
Cash at bank and in hand		6,094	37,256		
		312,645	332,439		
CREDITORS: amounts falling due within one year	11	(72,922)	(236,189)		
NET CURRENT ASSETS		239,723		96,250	
TOTAL ASSETS LESS CURRENT LIABILITIES		239,723		97,135	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES		239,723		97,135	
Defined benefit pension scheme liability	17	-	-		
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		239,723		97,135	
FUNDS					
Restricted funds		-	-		
Unrestricted funds:	13	239,723		97,135	
TOTAL FUNDS		239,723		97,135	

The financial statements were approved and authorised for issue by the Trustees on 12 December 2023 and signed on their behalf, by:



David Akeroyd

The notes on pages 18 to 37 form part of these financial statements.

INDEPENDENT TRAINING SERVICES LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

		2023	2022
		£	£
	Note		
FIXED ASSETS			
Tangible assets	8	-	787
Investments		1,000	1,000
		<u>1,000</u>	<u>1,787</u>
CURRENT ASSETS			
Debtors	10	520,640	478,354
Cash at bank and in hand		3,235	26,515
		<u>523,876</u>	<u>504,869</u>
CREDITORS: amounts falling due within one year	11	<u>(71,922)</u>	<u>(157,596)</u>
NET CURRENT ASSETS		451,954	347,273
TOTAL ASSETS LESS CURRENT LIABILITIES		452,954	349,060
CREDITORS: amounts falling due after more than one year		-	-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES		452,954	349,060
Defined benefit pension scheme liability	17	-	-
NET ASSET INCLUDING PENSION SCHEME LIABILITIES		<u>452,954</u>	<u>349,060</u>
CHARITY FUNDS			
Restricted funds		-	-
Unrestricted funds:	13	452,954	349,060
TOTAL SURPLUS FUNDS		<u>452,954</u>	<u>349,060</u>

The financial statements were approved and authorised for issue by the Trustees on 12 December 2023 and signed on their behalf, by:


.....
David Akeroyd

The notes on pages 18 to 37 form part of these financial statements.

INDEPENDENT TRAINING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023**

		2023	2022
	Note	£	£
Cash flows from operating activities			
Net cash from operating activities	15	(31,162)	(67,525)
Cash flows from financing activities:			
Repayments of borrowings		-	-
Interest on borrowings		-	-
Tax paid		-	-
Net cash used in financing activities		-	-
Change in cash and cash equivalents in the year		(31,162)	(67,525)
Cash and cash equivalents brought forward		37,256	104,781
Cash and cash equivalents carried forward	16	6,094	37,256

The notes on pages 18 to 37 form part of these financial statements.

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Independent Training Services Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and statement of financial position consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantees is limited to £1 per member of the company.

1.3 Going concern

The group balance sheet shows net assets of £239,723 (2022 £97,135) and the surplus for the year before actuarial gains was £144,588 (2022 loss of £40,455).

The going concern assessment considered the company financial operating forecasts and cash flow forecasts to July 2025. The company has sufficient cash funds throughout this period. The cash flow is sensitive to delays in cash receipts and therefore contains some risk that it will not have sufficient cash to cover its debt. Barnsley College, the parent company is comfortable based on forecasts that it has the ability to support its subsidiary entities and has confirmed they will financially support the company until for at least twelve months following from the date the financial statements are signed, including support for ITS's subsidiary Smartstyle Technology Training Limited which is in a net liabilities position at 31 July 2023. As such, the Trustees are of the view that, based on detailed budgets and cash flow forecasts, the group will be able to pay its debts as they fall due and therefore the group is a going concern.

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Government funded grants and amounts from the Growth Company are accounted for under the accruals model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and dependent on the particular income stream involved. Income from other trading activities is recognised upon the raising of sales invoices or upon receipt of cash from eligible government schemes.

Where income is received for a specific purpose which is defined the income and associated expenditure is shown within restricted funds.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Independent Training Services Limited and its subsidiary entity SmartStyle Technology Training Limited.

No separate SOFA has been presented for the company as permitted within section 408 of the Companies Act 2006.

ITS company made a surplus of £103,894 for the financial year ended 31 July 2023 (2022 - £260,587).

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% - 25% Straight line
Computer equipment	-	33.3% Straight line

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.15 Pensions

The company operates a defined contribution pension scheme, and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefit pension scheme, and the pension charge is based on a full actuarial valuation dated 31 March 2022, updated to 31 July 2023 by the actuary. More detail of the scheme can be found in Note 19.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates

The preparation of financial statements may require management to make significant judgements and estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical areas of judgements.

Critical accounting estimates:

The company and group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions including the discount rate which is the most sensitive to the macro-economic environment. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. INCOME FROM CHARITABLE ACTIVITIES

	Total 2023 £	Total 2022 £
ESFA – Non-levy / levy income	622,965	419,220
ESFA – Learner Responsive	-	(2,788)
Other	391,394	1,256,116
	1,014,359	1,672,548

3. DIRECT COSTS

	Total 2023 £	Total 2022 £
Administration expenses	52,086	103,328
Educational expenditure and associated recreational costs	96,662	535,459
Wages and salaries	464,886	624,435
National insurance	72,281	61,589
Staff Pension costs	37,073	37,723
	722,988	1,362,534

4. SUPPORT COSTS

	2023 £	2022 £
Premises costs	5,846	76,837
Office administrative costs	179,343	266,550
Computer and software costs	6,946	10,682
Depreciation and amortisation	787	8,777
Bank charges	682	(166)
Bad debts	(3,862)	12,868
Pension interest	(4,000)	6,000
	185,742	381,548

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

5 NET INCOME / (EXPENDITURE)

This is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets:- owned by the charitable group	787	8,777
Operating lease rentals	30,000	30,000

During the year, no Trustees received any remuneration (2022 - £nil).

During the year, no Trustees received any benefits in kind (2022 - £nil).

During the year, no Trustees received any reimbursement of expenses (2022 - £nil).

6 AUDITORS' REMUNERATION

Fees payable to the company's auditor for the audit of the group annual accounts	2023	2022
	£	£
Independent Training Services Ltd	12,000	12,500
SmartStyle Technology Training Ltd	600	3,000
	<u>12,600</u>	<u>15,500</u>

The audit services were provided by TC Group Limited, Northampton. Non-audit related fees are borne by the parent company, Barnsley College.

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

7 STAFF COSTS

Staff costs were as follows:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Wages and salaries	464,886	464,886	624,435	624,435
Social security costs	72,281	72,281	61,589	61,589
Other pension costs	37,073	37,073	37,723	37,723
	574,240	574,240	723,747	723,747

The average number of persons employed by the Group during the year was as follows:

	2023 No.	2022 No.
Administration	11	6
Teaching	13	12
Management	2	4
	26	22

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company.

During the year the total amount of remuneration and benefits received by key management personnel was £68,000 (2022: £65,000).

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	2023 No.	2022 No.
In the band £60,001 - £65,000	-	1
In the band £65,001 - £70,000	1	-

The Managing Director is the highest paid member of staff. Their remuneration received in the year is as follows:

	2023 £'000	2022 £'000
Salaries – gross of salary sacrifice and waived emoluments	68	65
Employers National Insurance	8	9
	76	74
Pension contributions	19	19
Total emoluments	95	93

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

8 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Group			
Cost			
At 1 August 2022	15,880	11,314	27,194
Additions	-	-	-
Disposals	-	-	-
At 31 July 2023	15,880	11,314	27,194
Depreciation			
At 1 August 2022	15,880	10,429	26,309
Charge for the year	-	885	885
Disposals	-	-	-
At 31 July 2023	15,880	11,314	27,194
Net book value			
At 31 July 2023	-	-	-
<i>At 31 July 2022</i>	-	885	885

	Fixtures and fittings £	Computer equipment £	Total £
Charity			
Cost			
At 1 August 2022	15,880	10,430	26,310
Additions	-	-	-
Disposals	-	-	-
At 31 July 2023	15,880	10,430	26,310
Depreciation			
At 1 August 2022	15,880	9,643	25,523
Charge for the year	-	787	787
Disposals	-	-	-
At 31 July 2023	15,880	10,430	26,310
Net book value			
At 31 July 2023	-	-	-
<i>At 31 July 2022</i>	-	787	787

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

9 FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
Smartstyle Technology Training Limited	100%
Registered office address: Queens Court, Regent Street, Barnsley, England, S70 2EG.	

The aggregate of the share capital and reserves as at 31 July 2023 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Smartstyle Technology Training Limited	(211,442)	38,694

Company	Shares in group undertakings £
At 1 August 2022 and 31 July 2023	1,000

INDEPENDENT TRAINING SERVICES LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

10 DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	65,597	65,148	51,154	55,934
Amounts owed by group parent	42,669	-	271,201	202,852
Prepayments and accrued income	198,285	230,035	198,285	219,568
	306,551	295,183	520,640	478,354

11 CREDITORS: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	25,582	76,662	26,112	76,042
Amounts owed to group undertakings	-	76,495	-	-
Other taxation and social security	22,584	18,821	21,150	18,427
Accruals and deferred income	24,756	64,211	24,660	63,127
	72,922	236,189	71,922	157,596

12 FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets measured at amortised cost	263,882	295,183
Financial liabilities measured at amortised cost	50,338	140,873

Financial assets measured at amortised cost comprise trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors and accruals.

INDEPENDENT TRAINING SERVICES LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

13 CONSOLIDATED STATEMENT OF FUNDS STATEMENT - CURRENT YEAR

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2023 £
General Funds						
General Funds	97,135	1,069,603	(927,015)	-	-	239,723
Pension reserve	-	-	2,000	-	(2,000)	-
Other General Funds	-	-	-	-	-	-
Total	97,135	1,069,603	(925,015)	-	(2,000)	239,723
Unrestricted Funds	97,135	1,069,603	(925,015)	-	(2,000)	239,723
Total funds	97,135	1,069,603	(925,015)	-	(2,000)	239,723

14 CONSOLIDATED STATEMENT OF FUNDS STATEMENT - PRIOR YEAR

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2023 £
General Funds						
General Funds	127,591	1,727,326	(1,757,781)	(1)	-	97,135
Pension reserve	(322,000)	-	(10,000)	-	332,000	-
Other General Funds	(1)	-	-	1	-	-
Total	(194,410)	1,727,326	(1,767,781)	-	332,000	97,135
Unrestricted Funds	(194,410)	1,727,326	(1,767,781)	-	332,000	97,135
Total funds	(194,410)	1,727,326	(1,767,781)	-	332,000	97,135

Designated funds had no opening balance and no activity during the year or the prior year.

INDEPENDENT TRAINING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	£	£	£
Tangible fixed assets	-	-	-
Current assets	312,645	-	312,645
Creditors due within one year	(72,922)	-	(72,922)
	<u>239,723</u>	<u>-</u>	<u>239,723</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	£	£	£
Tangible fixed assets	885	-	885
Current assets	382,466	-	382,466
Creditors due within one year	(286,216)	-	(286,216)
	<u>97,135</u>	<u>-</u>	<u>97,135</u>

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2023	2022
	£	£
Net income for the year (as per Statement of Financial Activities)	144,588	(40,455)
Adjustment for		
Depreciation charges	885	8,777
Tax charge	-	-
Increase in debtors	(11,368)	(136,662)
(Decrease)/increase in creditors	(163,267)	90,815
Interest costs	(4,000)	6,000
Pension costs	2,000	4,000
Net cash from operating activities	(31,162)	(67,525)

18 ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2023	2022
	£	£
Cash in hand	6,094	37,256
Total	6,094	37,256

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

19 PENSION COMMITMENTS

The group operates a defined contribution pension scheme where the assets of the scheme are held separate to those of the group in independently administered funds. The total expense for the year was £37,073 (2022: £37,723).

The group participates in the funded defined benefit pension scheme operated by South Yorkshire Pensions Authority. The assets of the scheme are held in separate funds administered by SYPF. The total contributions made for the year ended 31 July 2023 were £24,756, of which employer's contributions totalled £19,011 and employees' contributions totalled £5,745. The agreed contribution rates for future years are 26.9%. The gain on the scheme's assets during the year was £308,000 before the surplus restriction (2022: £443,000), being 14.1% (2022: 20.2%) of the year end assets.

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2023	2022
Discount rate at 31 July	5.05%	3.45%
CPI inflation rate	3.00%	3.15%
Future salary increases	3.60%	2.80%
Future pension increases	3.00%	3.15%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

		At 31 July 2023 Years	At 31 July 2022 Years
Retiring today	Males	20.6	21.3
	Females	23.6	24.3
Retiring in 20 years	Males	21.4	21.8
	Females	25.0	25.3

The assets in the scheme were:	Fair value at 31 July 2023 £	Fair value at 31 July 2022 £
Equities	1,506,000	1,487,000
Government bonds	480,000	481,000
Property	174,000	197,000
Cash / liquidity	22,000	22,000
Total market value of assets	2,182,000	2,187,000

INDEPENDENT TRAINING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19 PENSION COMMITMENTS (continued)

The actual gain on scheme assets was £308,000 (2022 - £443,000 gain).

The amounts recognised in the Statement of financial activities are as follows:

	2023	2022
	£	£
Current service cost	22,000	25,000
Interest cost on pension scheme obligations	(4,000)	6,000
Total	18,000	31,000

Movement in net defined benefit liability during year	2023	2022
	£'000	£'000
Net defined benefit liability at 1 August	-	(322,000)
Movement in year:		
Current service cost	(22,000)	(25,000)
Employer contributions	20,000	21,000
Net interest on the defined liability	4,000	(6,000)
Actuarial gain	308,000	443,000
Restriction of actual surplus	(310,000)	(111,000)
Net defined benefit liability at 31 July	-	-

Movements in the present value of the defined benefit obligation were as follows:

	2023	2022
	£	£
Opening defined benefit obligation	2,076,000	2,500,000
Interest cost	71,000	40,000
Contributions by scheme participants	6,000	6,000
Current service cost	22,000	25,000
Benefits paid	(72,000)	(77,000)
Actuarial (gains)/loss	(342,000)	(418,000)
Closing defined benefit obligation	1,761,000	2,076,000

INDEPENDENT TRAINING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19 PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2023	2022
	£	£
Opening fair value of scheme assets	2,187,000	2,178,000
Expected return on assets	(111,000)	25,000
Actuarial gains/(losses)	152,000	34,000
Contributions by employer	20,000	21,000
Contributions by scheme participants	6,000	6,000
Benefits paid	(72,000)	(77,000)
	2,182,000	2,187,000

Amounts for the current and previous period are as follows:

	2023	2022
	£	£
Defined benefit obligation	(1,761,000)	(2,076,000)
Scheme assets	2,182,000	2,187,000
Restriction of actual surplus	(421,000)	(111,000)
Surplus / (deficit)	-	-
Experience adjustments on scheme liabilities	190,000	12,000

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

19 PENSION COMMITMENTS (continued)

Guaranteed Minimum Pension

Defined benefit pension schemes will be affected by the ultimate resolution of the equalisation of benefits for men and women in relation to Guaranteed Minimum Pension (GMP) provisions. The 2018 Lloyds Bank court judgement provided clarity in this area. A further High Court ruling in 2020 extended GMP equalisation costs to historic transfers, potentially creating a further liability for pension schemes. The LGPS has allowed for the impact of full GMP indexation in the calculation of the latest funding valuation results in respect of the 2018 ruling. The actuaries believe the 2020 ruling is unlikely to have a significant impact, so they have not made any allowance for this in their calculations.

Transitional Protection Arrangements (McCloud)

Following the loss of a court case (the McCloud judgement) which found that transitional protections put in place when two public sector pension schemes were reformed were age discriminatory, the government committed in July 2019 to seeking a remedy across all public sector schemes. The key feature of the proposed remedy was to extend the final salary scheme underpin to a wider group of members for service up to 31 March 2022. The College's pension liabilities in respect of the South Yorkshire Pension Fund have increased due to this. The fund actuary has included an allowance that is substantially in line with the judgement and the effect of any minor proposed changes will have an estimated liability of nil. The schemes actuaries have rolled forward the previous allowance and no additional adjustment has been made for the current year.

Widower Benefits (Goodwin)

Following a recent Employment Tribunal ruling that a female member in an opposite sex marriage is treated less favourably than a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on the grounds of sexual orientation, the government announced in July 2020 that it believed changes would be required to all public sector schemes with similar arrangements. For the College, this will increase the liability in respect of the South Yorkshire Pension Fund, but no allowance has been made in the accounting figures as it is expected that the impact on the liabilities will be immaterial (circa 0.1-0.2% of the obligations) and there is currently insufficient data available to estimate a cost

INDEPENDENT TRAINING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

20 OPERATING LEASE COMMITMENTS

At 31 July 2023 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
Group:	2023	2022	2023	2022
	£	£	£	£
Amounts payable				
Within 1 year	30,000	8,100	554	554
Between 1 and 5 years	-	-	-	-
Total	30,000	8,100	554	554

At 31 July 2023 the charitable company had annual commitments under non-cancellable operating leases as follows:

**Charitable company
Amounts payable:**

	2023	2022
	£	£
Within 1 year	30,000	8,100
Between 1 and 5 years	-	-
Total	30,000	8,100

INDEPENDENT TRAINING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

21 RELATED PARTY TRANSACTIONS

Owing to the nature of the Companies operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arms' length and in accordance with Barnsley College's financial regulations and normal procurement procedures.

Summary of transactions with organisations connected to members of the Board of Directors

Related Party	Related party of the company	Transactions during the year	Income Related	Expenditure Related	Debtor Balance at 31 July 2023	Creditor Balance at 31 July 2023	Nature of goods or services purchased by the college	Nature of goods or services purchased by the other party
BARNSELY & ROTHERHAM CHAMBER OF COMMERCE	Director	£696	0	£696	£0	-	Subscriptions	n/a
Barnsley MBC	Director	(£3,861)	£0	(£3,861)	£0	£712	Rates & Venue Hire	n/a
NOCN	Director	£1,618	£0	£1,618	£0	£0	Exam costs	n/a

The total expenses paid to or on behalf of the trustees during the year was £nil, (2021/22: £nil).

No trustee has received any remuneration or waived payments from the Company or its subsidiaries during the year (2021/22: nil).

22 ULTIMATE PARENT COMPANY

The ultimate controlling party is Barnsley College, a corporation established under the Further and Higher Education Act 1992 and is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The consolidated accounts which includes Independent Training Services Limited and Smartstyle Technology Training Limited are available on the College's website or on request from Barnsley College, Church Street, Barnsley, S70 2AX.