

PRESTON VOCATIONAL CENTRE LTD

England & Wales · Charity number 1135863

Details

Other names PVC LIMITED

Status Registered

Legal form Charitable company

Company number [07085396](#)

Registered 2010-05-10

Register [View on the Charity Commission register](#)

Contact

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St. Pauls Road
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PR1 1PX

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Website prestonvocationalcentre.co.uk

Activities

Objects: THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO ADVANCE THE EDUCATION OF CHILDREN, YOUNG PEOPLE AND ADULTS, ESPECIALLY THOSE LIVING WITHIN THE PRESTON AREA, IN PARTICULAR THROUGH PROVISION OF VOCATIONAL TRAINING, SUPPORTING THEIR PERSONAL DEVELOPMENT, AND EQUIPPING THEM FOR FURTHER EDUCATION, EMPLOYMENT AND TRAINING

Activities: Preston Vocational Centre (PVC) provides accredited training in Bricklaying, Painting & Decorating, Carpentry & Joinery, Plastering & Tiling, CSCS card and Numeracy & Literacy to young people & adults. At the same time, PVC develops interpersonal skills & employability, gives an introduction to enterprise and celebrates achievements across a wide spectrum of ability and behavioural improvement.

Classification

- **How:** Provides Services
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** PRESTON
- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£522,955	£495,325	£198,441	12
2024-07-31	£501,138	£467,906	£170,811	13
2023-07-31	£479,510	£447,857	-	-
2022-07-31	£404,658	£393,935	-	-
2021-07-31	£357,316	£372,612	-	-
2020-07-31	£438,375	£382,954	-	-

Trustees

Name	Role	Appointed
Chris Keeney		2019-12-10
Jane Smith		2024-06-25
Katherine Rudin		2024-06-25
Michael Higgins		2018-12-11
ROBERT WAKEFIELD		2017-11-07
Sian Elcomb		2018-12-11
Trevor Hart		2019-12-10

PRESTON VOCATIONAL CENTRE LTD

England & Wales - Charity number 1135863

Accounts



Annual Report and Financial Statements

Year ended 31st July 2025

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Board of Directors, Executives and Advisors

<p>Board of Trustees M J Higgins (Chair) R Wakefield S Elcomb C Keeney T Hart (Vice Chair) J Smith K Rudin T Kantharia</p> <p>Company Secretary C Garner</p>	<p>Advisors Independent Auditor Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB</p> <p>Bankers Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF</p>
<p>Registration Details</p> <p>Charity Name: Preston Vocational Centre Ltd</p> <p>Registered Office & Principal Office: Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.</p> <p>Charity Registration Number: 1135863</p> <p>Company Registration Number: 07085396</p>	

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31 July 2025 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1 August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector. Trustees are appointed on a voluntary basis and do not receive remuneration.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance. Trustees follow an induction process to prepare them for their role.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of “Building Skills - Building Futures” and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. In order to achieve the mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from any competitors. We are dedicated to bringing those young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level upon where they can build themselves a positive future.

Trustees' Report (continued)

We have a proven track record and a well-established good reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal economic and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2024/2025

Aims and Objectives

2024/25 was the fourth year of our 2021-26 Business Plan.

The 2021-26 plan is centred around four key themes:

- Schools Performance – we will build on our positive reputation and grow our existing schools and post 16 programme.
- Student Pathways – we will support each student to achieve their preferred positive destination, providing choice and opportunity for a successful future.
- Funded/Community Programmes – we will continue to deliver upon our social purpose and seek to secure grant funding which complements our work and adds value to our learners and the local community.
- Finance and Governance – we will ensure that PVC strengthens its financial resilience and is a well-run organisation.

Each theme has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2024/25 are summarised below.

Trustees' Report (continued)

Operating Review 2024/2025

- We delivered specialist vocational provision to a total of 209 students, a marginal increase from the previous year. Although the difference is minimal, the number of sessions attended increased, ensuring the centre operated at full capacity. Students attended from 25 schools across Lancashire of which 49.1% were from schools that support behaviour, emotional and social difficulties; 25.7% were from mainstream schools; and 17.1% were from schools with special educational needs or disabilities. The remaining 8.6% of students were post 16, Lancashire County Council nominated and adult learners.
- 157 of the 203 learners who registered for a City and Guilds Level 1 Construction Qualification achieved it, representing an achievement rate of 77% which is an increase from the previous year (2024:75%)
- We delivered specialist vocational provision to a total of 41 non-school students, with programmes including: -
 - **Post 16 Study Programme** – this was delivered through the UK Shared Prosperity Fund (24 students) and Lancashire County Council (2 students) and has enabled 6 students who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 7 of these achieving a City and Guilds Construction level 1 qualification
 - **Guild Lodge** – 5 participants attended the centre on a weekly basis working towards a City and Guilds Level 1 qualification
 - **Office for Police and Crime Commissioners Twilight Fund (OPCC)** – 16 participants attended the centre over 2 courses run in August 2024 and January 2025 to learn practical skills in a variety of trades and engage with employers
- Our volunteer and work experience programme has supported 2 adult volunteers to develop their workplace skills totalling 893.65 hours.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.

Trustees' Report (continued)

Operating Review 2024/2025 (continued)

Future plans

Looking ahead to year 5 of the 2021–2026 business plan, PVC will continue to follow the aims as set out in the Operating Review above. PVC will continue to deliver specialist vocational training and support its learners to achieve their potential. PVC will continue to seek opportunities to enhance its provision for post 16 learners by obtaining funding for new initiatives alongside its schools provision.

Financial Review

A surplus for the year of £27,630 is reported which represents 5.3% of turnover exceeding the business plan target of 5%. The focus in 2024/25 was on maximising capacity to ensure sufficient income to cover increased costs driven by inflation in the previous year. This was successfully achieved with income of £522,955 secured during the year, exceeding the £501,138 generated the previous year by 4.4%. This strong level of income combined with tight control of costs ensured that we generated a healthy surplus to add to reserves accumulated in previous years, maintaining a strong financial position. A summary of our Statement of Financial Activities for the past four years is shown below.

	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Total Income	404,658	479,510	501,138	522,955
Total Expenditure	393,935	447,857	467,906	495,325
Surplus/(Deficit)	10,723	31,653	33,232	27,630

The 2024/25 surplus of £27,630 shows a reduction of £5,602 from 2023/24, ending a steady increase from 2021/22 in the previous two years.

Trustees' Report (continued)

Financial Review (continued)

The majority of our income, £469,587 (89.79%) was received from schools for the delivery of construction courses to 14 to 16-year olds. The remainder of the income £53,368 (10.21%) was received successful bids for grants to carry out programmes of work combined with donations from Patrons who support us. . This included funding received from the UK Shared Prosperity Fund, the Office of Police Commissioners Twilight Fund and NHS Funded Guild Lodge. This funding enables PVC to carry out its post-16 and community programmes.

Expenditure for the year is £495,325 compared to a budget of £499,757, which demonstrates the ability of PVC's management to control costs and achieve savings despite inflationary pressure.

The Statement of Financial Position shows fixed assets with value of £48,498 which is the carrying value of a) a van (£36,423) purchased in 2022/23 to transport students for work experience, attending site visits, participating in careers events and collecting materials from construction sites; b) a CCTV system (£1,314) purchased in April 2023 to enhance health and safety provision at the centre c) a suite of computer hardware to enhance the IT infrastructure at the centre (£5,781) and d) investments in a heating system (£4,980).

As shown in the Statement of Financial Position (SoFP) PVC's reserves remain substantial at £198,441 as a result of surpluses generated in previous years and the 2024/25 surplus.

The financial position is reviewed monthly by the Management Team and updates are presented to the Board on a bi-monthly basis. Performance is measured against the annual budget, key performance indicators and the business plan. Our Risk Register is also regularly reviewed.

Reserves Policy

As of 31st July 2025, reserves were £198,441. All surpluses (when generated) will be reinvested back into the business for its further development and to build up adequate reserves. As our financial position continues to improve, we can increase our reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

Trustees' Report (continued)

Reserves Policy

We aim to hold cash reserves to cover two months operating costs should anticipated income not materialise. This includes the cash held by PVC plus the surplus cash invested by Community Gateway Association (CGA) which is included within debtors (Note 9). This cash is immediately available to PVC should it be required.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

We are also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. We concentrate on our young people and therefore do not make any grants to organisations or individuals.

Review of Activities

We look to maximise student numbers wherever possible to achieve our target of a range of income sources.

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- the current challenging financial environment and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.
- the short-term nature of some of the current income streams; the competition from other providers which could result in loss of potential new income; and
- risks around Health and Safety, Cyber Security, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board. Risk Management Action Plans have been developed identifying actions to mitigate the risks. In order to mitigate the financial risks, longer term income streams are being identified. As such, we are looking to spread the financial risk over a number of income sources.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

Trustees' Report (continued)

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Approved by the Board on 9th December 2025 and signed on its behalf by:

M Higgins - Chair of the Board of Trustees

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline 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:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector, control environment and business performance;
- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

As a result of performing the above procedures, we did not identify any key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of trustees, in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all of the engagement team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Calvert ACA (Senior Statutory Auditor)

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrocks House

1 Faraday Court

Fulwood, Preston

Lancashire. PR2 9NB

Date:

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2025

	Note	Unrestricted Total Funds 2025 £	Unrestricted Total Funds 2024 £
Incoming and endowments from			
Donations and legacies	2	7,428	8,365
Charitable activities	3	<u>515,527</u>	<u>492,772</u>
Total		<u>522,955</u>	<u>501,138</u>
Expenditure on			
Charitable activities	4	<u>495,325</u>	<u>467,906</u>
Total		<u>495,325</u>	<u>467,906</u>
Net movements in funds		27,630	33,232
Reconciliation of funds			
Total funds brought forward		<u>170,811</u>	<u>137,579</u>
Total funds carried forward	15	<u><u>198,441</u></u>	<u><u>170,811</u></u>

The notes on pages 19 to 29 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2025

		2025		2024	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	13		48,498		54,039
Investments	8		<u>1</u>		<u>1</u>
			48,499		54,040
Current assets					
Debtors	9	220,554		26,723	
Cash at bank and in hand		<u>20,874</u>		<u>179,818</u>	
		241,428		206,541	
Creditors: Amounts falling due within one year					
	10	<u>(91,486)</u>		<u>(89,770)</u>	
Net current (liabilities)/assets					
			<u>149,942</u>		<u>116,771</u>
Net assets					
			<u>198,441</u>		<u>170,811</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>198,441</u>		<u>170,811</u>
Total charity funds			<u>198,441</u>		<u>170,811</u>

The notes on pages 21 to 31 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 9th December 2025 and were signed on its behalf by:

M Higgins – Chair of the Board of Trustees

Preston Vocational Centre Ltd (Registration Number: 07085396)

Statement of Cashflow for the Year Ended 31 July 2025

Cash flow from operating activities	2025	2024
	£	£
Net income/(expenditure) for the year	27,630	33,232
Depreciation and impairment of tangible fixed assets	14,250	11,624
(Increase)/decrease in debtors	(193,831)	16,680
Increase/(decrease) in creditors	1,716	(11,517)
Net cash flow from operating activities	(150,234)	50,019
	2025	2024
Cash flows from operating activities	(150,234)	50,019
Interest paid	0	0
Net cash flow from operating activities	(150,234)	50,019
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(8,709)	(11,695)
Net cash flow from investing activities	(158,944)	38,324
Cashflow from financing activities		
Interest paid	0	0
Net cashflow from financing activities	(158,944)	38,324
Net increase/(decrease) in cash and cash equivalents	(158,944)	38,324
Cash and cash equivalents at beginning of year	179,818	141,494
Cash and cash equivalents at end of year	20,874	179,818

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the current high inflation environment highlighted as a principal risk and uncertainty above.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fixed term of three years; however, they may be reappointed thereafter for a maximum of two times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the board's requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

1 Accounting policies (continued)

Governance (continued)

to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Vehicles - 6 years straight-line basis
- Office Equipment – 5 years straight-line basis
- IT – 3 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

1 Accounting policies (continued)

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Donations and legacies

	Unrestricted Total Funds 2025 £	Total Funds 2024 £
Patronage Package	5,000	5,000
Recycling Materials	1,129	2,773
Other Donations	1,300	593
Donations Total	<u>7,428</u>	<u>8,365</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

3 Charitable activities

	Unrestricted Total Funds 2025 £	Total Funds 2024 £
Income		
Grant Income	45,940	42,521
Education and Training	469,587	450,252
Other Income	7,428	8,365
	<u>522,955</u>	<u>501,138</u>

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2024 £
Direct costs				
Employment costs	354,061		354,061	334,049
Establishment costs	64,723		64,723	59,985
Repairs and maintenance	11,785		11,785	8,811
Office expenses	6,489		6,489	11,740
Printing, posting and stationery	3,419		3,419	1,813
Subscriptions	1,210		1,210	1,172
Sundry and other cost	1,845		1,845	582
Cleaning	1,542		1,542	965
Travel and subsistence	123		123	135
Depreciation	14,250		14,250	11,624
Recharge from parent company		30,000	30,000	30,000
Audit fees		5,520	5,520	4,680
Bank charges	358			470
	<u>459,805</u>	<u>35,520</u>	<u>495,325</u>	<u>466,026</u>

	Education and training £	Governance £	Total £	2024 £
Other Expenditure				
Community Projects	-	-	-	1,880
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,880</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2025	2024
Charitable activities - employee numbers	<u>12</u>	<u>13</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£	£
Wages and salaries	308,330	288,377
National Insurance	29,758	26,153
Other pension costs	<u>14,246</u>	<u>17,987</u>
	<u>352,334</u>	<u>332,517</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2024 and 31 July 2025	1
Net book value As at 31 July 2025	1
	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings Preston Construction Centre Ltd			1	-

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

9 Debtors

	2025	2024
	£	£
Trade debtors	75,952	21,470
Prepayments and accrued income	2,786	5,253
Amounts owed from group undertakings	<u>141,816</u>	<u>-</u>
	<u><u>220,554</u></u>	<u><u>26,723</u></u>

Amounts owed from group undertakings are surplus funds invested by CGA on behalf of PVC and in accordance with a service level agreement.

10 Creditors: Amounts falling due within one year

	2025	2024
	£	£
Amounts owed to group undertakings	38,106	33,248
Trade creditors	7,715	8,158
Accruals and deferred income	26,916	24,614
Deferred capital grant	<u>18,750</u>	<u>23,750</u>
	<u><u>91,486</u></u>	<u><u>89,770</u></u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

12 Operating Lease commitments

As at 31 July 2025 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2024/25	2023/24
	£	£
Due within 1 year	22,200	22,200
Due 2 – 5 years	3,700	25,900
	<u>25,900</u>	<u>48,100</u>
	£	£
Operating lease expenditure	<u>22,200</u>	<u>23,500</u>
	<u>22,200</u>	<u>23,500</u>

13 Fixed assets

	Equipment	IT	Vehicles	Total
	£	£	£	£
Cost				
At 1 August 2024	2,389	6,367	60,026	68,782
Additions	5,603	3,107	-	8,710
Disposals	-	-	-	-
At 31 July 2025	<u>7,992</u>	<u>9,474</u>	<u>60,026</u>	<u>77,492</u>
Less: Depreciation				
At 1 August 2024	597	707	13,439	14,743
Charge for the period	1,100	2,985	10,165	14,250
	-	-	-	-
At 31 July 2025	<u>1,697</u>	<u>3,692</u>	<u>23,604</u>	<u>28,993</u>
Book Value as at 31 July 2025	<u>6,294</u>	<u>5,781</u>	<u>36,423</u>	<u>48,498</u>
Book Value as at 31 July 2024	<u>1,792</u>	<u>5,659</u>	<u>46,587</u>	<u>54,039</u>

Preston Vocational Centre

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

14 Analysis of funds

	At 1 August 2024	Incoming resources	Resources expended	At 31 July 2025
	£	£	£	£
General funds				
Unrestricted income fund	170,811	522,955	495,325	198,441

15 Net assets by fund

	Unrestricted Total Funds 2025	Unrestricted Total Funds 2024
	£	£
Tangible assets	48,498	54,038
Investments	1	1
Current assets	241,004	206,542
Creditors: Amounts falling due within one year	(91,062)	(89,770)
Net assets	<u>198,441</u>	<u>170,811</u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £14,246 (2024 - £17,987).

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC and CGA.

Michael Higgins is the Chair of PVC's Board and a Director of Xacom Limited which donated to PVC.

Related Party Transactions

During 2024/25 the following transactions included in the Financial Statements took place between CGA and PVC:

- PVC received income of £1,500 for providing training to CGA employees and a donation for the student awards evening for £250.
- The Statement of Financial Position includes:
 - 1) a parent company creditor of £38,106 which represents:
 - payments for goods and services made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year.
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.
 - 2) A parent company debtor of £141,816 which is funds invested by CGA on behalf of PVC via a Service Level Agreement

During 2024/25 the following transactions included in the Financial Statements took place between JFN Integrated Solutions and PVC:

- JFN Integrated Solutions Limited donated £250 to PVC
- Payments for goods and services from JFN Integrated Solutions Limited totalled £1,911

During 2024/25 the following transactions included in the Financial Statements took place between Xacom and PVC:

- Xacom Limited donated £250 to PVC



Annual Report and Financial Statements

Year ended 31st July 2025

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Board of Directors, Executives and Advisors

<p>Board of Trustees M J Higgins (Chair) R Wakefield S Elcomb C Keeney T Hart (Vice Chair) J Smith K Rudin T Kantharia</p> <p>Company Secretary C Garner</p>	<p>Advisors Independent Auditor Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB</p> <p>Bankers Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF</p>
<p>Registration Details</p> <p>Charity Name: Preston Vocational Centre Ltd</p> <p>Registered Office & Principal Office: Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.</p> <p>Charity Registration Number: 1135863</p> <p>Company Registration Number: 07085396</p>	

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31 July 2025 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1 August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector. Trustees are appointed on a voluntary basis and do not receive remuneration.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance. Trustees follow an induction process to prepare them for their role.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of “Building Skills - Building Futures” and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. In order to achieve the mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from any competitors. We are dedicated to bringing those young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level upon where they can build themselves a positive future.

Trustees' Report (continued)

We have a proven track record and a well-established good reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal economic and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2024/2025

Aims and Objectives

2024/25 was the fourth year of our 2021-26 Business Plan.

The 2021-26 plan is centred around four key themes:

- Schools Performance – we will build on our positive reputation and grow our existing schools and post 16 programme.
- Student Pathways – we will support each student to achieve their preferred positive destination, providing choice and opportunity for a successful future.
- Funded/Community Programmes – we will continue to deliver upon our social purpose and seek to secure grant funding which complements our work and adds value to our learners and the local community.
- Finance and Governance – we will ensure that PVC strengthens its financial resilience and is a well-run organisation.

Each theme has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2024/25 are summarised below.

Trustees' Report (continued)

Operating Review 2024/2025

- We delivered specialist vocational provision to a total of 209 students, a marginal increase from the previous year. Although the difference is minimal, the number of sessions attended increased, ensuring the centre operated at full capacity. Students attended from 25 schools across Lancashire of which 49.1% were from schools that support behaviour, emotional and social difficulties; 25.7% were from mainstream schools; and 17.1% were from schools with special educational needs or disabilities. The remaining 8.6% of students were post 16, Lancashire County Council nominated and adult learners.
- 157 of the 203 learners who registered for a City and Guilds Level 1 Construction Qualification achieved it, representing an achievement rate of 77% which is an increase from the previous year (2024:75%)
- We delivered specialist vocational provision to a total of 41 non-school students, with programmes including: -
 - **Post 16 Study Programme** – this was delivered through the UK Shared Prosperity Fund (24 students) and Lancashire County Council (2 students) and has enabled 6 students who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 7 of these achieving a City and Guilds Construction level 1 qualification
 - **Guild Lodge** – 5 participants attended the centre on a weekly basis working towards a City and Guilds Level 1 qualification
 - **Office for Police and Crime Commissioners Twilight Fund (OPCC)** – 16 participants attended the centre over 2 courses run in August 2024 and January 2025 to learn practical skills in a variety of trades and engage with employers
- Our volunteer and work experience programme has supported 2 adult volunteers to develop their workplace skills totalling 893.65 hours.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.

Trustees' Report (continued)

Operating Review 2024/2025 (continued)

Future plans

Looking ahead to year 5 of the 2021–2026 business plan, PVC will continue to follow the aims as set out in the Operating Review above. PVC will continue to deliver specialist vocational training and support its learners to achieve their potential. PVC will continue to seek opportunities to enhance its provision for post 16 learners by obtaining funding for new initiatives alongside its schools provision.

Financial Review

A surplus for the year of £27,630 is reported which represents 5.3% of turnover exceeding the business plan target of 5%. The focus in 2024/25 was on maximising capacity to ensure sufficient income to cover increased costs driven by inflation in the previous year. This was successfully achieved with income of £522,955 secured during the year, exceeding the £501,138 generated the previous year by 4.4%. This strong level of income combined with tight control of costs ensured that we generated a healthy surplus to add to reserves accumulated in previous years, maintaining a strong financial position. A summary of our Statement of Financial Activities for the past four years is shown below.

	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Total Income	404,658	479,510	501,138	522,955
Total Expenditure	393,935	447,857	467,906	495,325
Surplus/(Deficit)	10,723	31,653	33,232	27,630

The 2024/25 surplus of £27,630 shows a reduction of £5,602 from 2023/24, ending a steady increase from 2021/22 in the previous two years.

Trustees' Report (continued)

Financial Review (continued)

The majority of our income, £469,587 (89.79%) was received from schools for the delivery of construction courses to 14 to 16-year olds. The remainder of the income £53,368 (10.21%) was received successful bids for grants to carry out programmes of work combined with donations from Patrons who support us. . This included funding received from the UK Shared Prosperity Fund, the Office of Police Commissioners Twilight Fund and NHS Funded Guild Lodge. This funding enables PVC to carry out its post-16 and community programmes.

Expenditure for the year is £495,325 compared to a budget of £499,757, which demonstrates the ability of PVC's management to control costs and achieve savings despite inflationary pressure.

The Statement of Financial Position shows fixed assets with value of £48,498 which is the carrying value of a) a van (£36,423) purchased in 2022/23 to transport students for work experience, attending site visits, participating in careers events and collecting materials from construction sites; b) a CCTV system (£1,314) purchased in April 2023 to enhance health and safety provision at the centre c) a suite of computer hardware to enhance the IT infrastructure at the centre (£5,781) and d) investments in a heating system (£4,980).

As shown in the Statement of Financial Position (SoFP) PVC's reserves remain substantial at £198,441 as a result of surpluses generated in previous years and the 2024/25 surplus.

The financial position is reviewed monthly by the Management Team and updates are presented to the Board on a bi-monthly basis. Performance is measured against the annual budget, key performance indicators and the business plan. Our Risk Register is also regularly reviewed.

Reserves Policy

As of 31st July 2025, reserves were £198,441. All surpluses (when generated) will be reinvested back into the business for its further development and to build up adequate reserves. As our financial position continues to improve, we can increase our reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

Trustees' Report (continued)

Reserves Policy

We aim to hold cash reserves to cover two months operating costs should anticipated income not materialise. This includes the cash held by PVC plus the surplus cash invested by Community Gateway Association (CGA) which is included within debtors (Note 9). This cash is immediately available to PVC should it be required.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

We are also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. We concentrate on our young people and therefore do not make any grants to organisations or individuals.

Review of Activities

We look to maximise student numbers wherever possible to achieve our target of a range of income sources.

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- the current challenging financial environment and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.
- the short-term nature of some of the current income streams; the competition from other providers which could result in loss of potential new income; and
- risks around Health and Safety, Cyber Security, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board. Risk Management Action Plans have been developed identifying actions to mitigate the risks. In order to mitigate the financial risks, longer term income streams are being identified. As such, we are looking to spread the financial risk over a number of income sources.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

Trustees' Report (continued)

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Approved by the Board on 9th December 2025 and signed on its behalf by:

M Higgins - Chair of the Board of Trustees

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline 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:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector, control environment and business performance;
- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

As a result of performing the above procedures, we did not identify any key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of trustees, in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all of the engagement team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Calvert ACA (Senior Statutory Auditor)

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrocks House

1 Faraday Court

Fulwood, Preston

Lancashire. PR2 9NB

Date:

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2025

	Note	Unrestricted Total Funds 2025 £	Unrestricted Total Funds 2024 £
Incoming and endowments from			
Donations and legacies	2	7,428	8,365
Charitable activities	3	<u>515,527</u>	<u>492,772</u>
Total		<u>522,955</u>	<u>501,138</u>
Expenditure on			
Charitable activities	4	<u>495,325</u>	<u>467,906</u>
Total		<u>495,325</u>	<u>467,906</u>
Net movements in funds		27,630	33,232
Reconciliation of funds			
Total funds brought forward		<u>170,811</u>	<u>137,579</u>
Total funds carried forward	15	<u><u>198,441</u></u>	<u><u>170,811</u></u>

The notes on pages 19 to 29 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2025

		2025		2024	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	13		48,498		54,039
Investments	8		<u>1</u>		<u>1</u>
			48,499		54,040
Current assets					
Debtors	9	220,554		26,723	
Cash at bank and in hand		<u>20,874</u>		<u>179,818</u>	
		241,428		206,541	
Creditors: Amounts falling due within one year					
	10	<u>(91,486)</u>		<u>(89,770)</u>	
Net current (liabilities)/assets					
			<u>149,942</u>		<u>116,771</u>
Net assets					
			<u>198,441</u>		<u>170,811</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>198,441</u>		<u>170,811</u>
Total charity funds			<u>198,441</u>		<u>170,811</u>

The notes on pages 21 to 31 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 9th December 2025 and were signed on its behalf by:

M Higgins – Chair of the Board of Trustees

Preston Vocational Centre Ltd (Registration Number: 07085396)

Statement of Cashflow for the Year Ended 31 July 2025

Cash flow from operating activities	2025	2024
	£	£
Net income/(expenditure) for the year	27,630	33,232
Depreciation and impairment of tangible fixed assets	14,250	11,624
(Increase)/decrease in debtors	(193,831)	16,680
Increase/(decrease) in creditors	1,716	(11,517)
Net cash flow from operating activities	(150,234)	50,019
	2025	2024
Cash flows from operating activities	(150,234)	50,019
Interest paid	0	0
Net cash flow from operating activities	(150,234)	50,019
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(8,709)	(11,695)
Net cash flow from investing activities	(158,944)	38,324
Cashflow from financing activities		
Interest paid	0	0
Net cashflow from financing activities	(158,944)	38,324
Net increase/(decrease) in cash and cash equivalents	(158,944)	38,324
Cash and cash equivalents at beginning of year	179,818	141,494
Cash and cash equivalents at end of year	20,874	179,818

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the current high inflation environment highlighted as a principal risk and uncertainty above.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fixed term of three years; however, they may be reappointed thereafter for a maximum of two times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the board's requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

1 Accounting policies (continued)

Governance (continued)

to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Vehicles - 6 years straight-line basis
- Office Equipment – 5 years straight-line basis
- IT – 3 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

1 Accounting policies (continued)

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Donations and legacies

	Unrestricted Total Funds 2025 £	Total Funds 2024 £
Patronage Package	5,000	5,000
Recycling Materials	1,129	2,773
Other Donations	1,300	593
Donations Total	<u>7,428</u>	<u>8,365</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

3 Charitable activities

	Unrestricted Total Funds 2025 £	Total Funds 2024 £
Income		
Grant Income	45,940	42,521
Education and Training	469,587	450,252
Other Income	7,428	8,365
	<u>522,955</u>	<u>501,138</u>

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2024 £
Direct costs				
Employment costs	354,061		354,061	334,049
Establishment costs	64,723		64,723	59,985
Repairs and maintenance	11,785		11,785	8,811
Office expenses	6,489		6,489	11,740
Printing, posting and stationery	3,419		3,419	1,813
Subscriptions	1,210		1,210	1,172
Sundry and other cost	1,845		1,845	582
Cleaning	1,542		1,542	965
Travel and subsistence	123		123	135
Depreciation	14,250		14,250	11,624
Recharge from parent company		30,000	30,000	30,000
Audit fees		5,520	5,520	4,680
Bank charges	358			470
	<u>459,805</u>	<u>35,520</u>	<u>495,325</u>	<u>466,026</u>

	Education and training £	Governance £	Total £	2024 £
Other Expenditure				
Community Projects	-	-	-	1,880
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,880</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2025	2024
Charitable activities - employee numbers	<u>12</u>	<u>13</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£	£
Wages and salaries	308,330	288,377
National Insurance	29,758	26,153
Other pension costs	<u>14,246</u>	<u>17,987</u>
	<u>352,334</u>	<u>332,517</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2024 and 31 July 2025	1
Net book value As at 31 July 2025	1
	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings Preston Construction Centre Ltd			1	-

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

9 Debtors

	2025	2024
	£	£
Trade debtors	75,952	21,470
Prepayments and accrued income	2,786	5,253
Amounts owed from group undertakings	141,816	-
	<u>220,554</u>	<u>26,723</u>

Amounts owed from group undertakings are surplus funds invested by CGA on behalf of PVC and in accordance with a service level agreement.

10 Creditors: Amounts falling due within one year

	2025	2024
	£	£
Amounts owed to group undertakings	38,106	33,248
Trade creditors	7,715	8,158
Accruals and deferred income	26,916	24,614
Deferred capital grant	18,750	23,750
	<u>91,486</u>	<u>89,770</u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

12 Operating Lease commitments

As at 31 July 2025 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2024/25	2023/24
	£	£
Due within 1 year	22,200	22,200
Due 2 – 5 years	3,700	25,900
	<u>25,900</u>	<u>48,100</u>
	£	£
Operating lease expenditure	<u>22,200</u>	<u>23,500</u>
	<u>22,200</u>	<u>23,500</u>

13 Fixed assets

	Equipment	IT	Vehicles	Total
	£	£	£	£
Cost				
At 1 August 2024	2,389	6,367	60,026	68,782
Additions	5,603	3,107	-	8,710
Disposals	-	-	-	-
At 31 July 2025	<u>7,992</u>	<u>9,474</u>	<u>60,026</u>	<u>77,492</u>
Less: Depreciation				
At 1 August 2024	597	707	13,439	14,743
Charge for the period	1,100	2,985	10,165	14,250
	-	-	-	-
At 31 July 2025	<u>1,697</u>	<u>3,692</u>	<u>23,604</u>	<u>28,993</u>
Book Value as at 31 July 2025	<u>6,294</u>	<u>5,781</u>	<u>36,423</u>	<u>48,498</u>
Book Value as at 31 July 2024	<u>1,792</u>	<u>5,659</u>	<u>46,587</u>	<u>54,039</u>

Preston Vocational Centre

Notes to the Financial Statements for the Year Ended 31 July 2025 (continued)

14 Analysis of funds

	At 1 August 2024	Incoming resources	Resources expended	At 31 July 2025
	£	£	£	£
General funds				
Unrestricted income fund	170,811	522,955	495,325	198,441

15 Net assets by fund

	Unrestricted Total Funds 2025	Unrestricted Total Funds 2024
	£	£
Tangible assets	48,498	54,038
Investments	1	1
Current assets	241,004	206,542
Creditors: Amounts falling due within one year	(91,062)	(89,770)
Net assets	<u>198,441</u>	<u>170,811</u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £14,246 (2024 - £17,987).

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC and CGA.

Michael Higgins is the Chair of PVC's Board and a Director of Xacom Limited which donated to PVC.

Related Party Transactions

During 2024/25 the following transactions included in the Financial Statements took place between CGA and PVC:

- PVC received income of £1,500 for providing training to CGA employees and a donation for the student awards evening for £250.
- The Statement of Financial Position includes:
 - 1) a parent company creditor of £38,106 which represents:
 - payments for goods and services made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year.
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.
 - 2) A parent company debtor of £141,816 which is funds invested by CGA on behalf of PVC via a Service Level Agreement

During 2024/25 the following transactions included in the Financial Statements took place between JFN Integrated Solutions and PVC:

- JFN Integrated Solutions Limited donated £250 to PVC
- Payments for goods and services from JFN Integrated Solutions Limited totalled £1,911

During 2024/25 the following transactions included in the Financial Statements took place between Xacom and PVC:

- Xacom Limited donated £250 to PVC

**PRIVATE & CONFIDENTIAL**

The Board of Trustees
Preston Vocational Centre Ltd
Preston City Council Services Site
St Paul's Road
Preston
PR1 1PX

Shorrock House
Faraday Court
Fulwood
Preston
Lancashire
PR2 9NB
T: 01772 693111
F: 01772 652661
E: mail@rushtonsaccountants.com
W: www.rushtonsaccountants.com

2 December 2025

Our Ref: PVC A1052/JB/LB

Dear Sirs

Report to Management

During the course of our audit for the year ended 31 July 2025 one matter arose which we consider should be brought to your attention.

This matter relates to our review of related party transactions. It is essential that we identify and evaluate all transactions involving connected trustees to ensure full transparency and compliance with regulatory and governance requirements. No other issues identified; therefore this is a minor issue.

This matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We have complied with the Ethical Standards for Auditors and all threats to our independence, as identified to you, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw your attention to and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the Trustees of Preston Vocational Centre Ltd and must not be shown to third parties without our prior consent. No responsibilities are accepted by Rushtons towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours faithfully

Rushtons

RUSHTONS

Rushtons is the trading name of Rushtons (NW) Limited
Registered in England Number 07160541
VAT Reg No: 483 2595 21
A list of Directors is available at the Registered Office

*Registered to carry on audit work in the UK regulated for a range of
investment business activities by the Institute of Chartered Accountants in England and Wales*

PRESTON VOCATIONAL CENTRE LTD

England & Wales - Charity number 1135863

Accounts

**PRESTON
VOCATIONAL
CENTRE**



Building Skills | Building Futures

Annual Report and Financial Statements

Year ended 31st July 2024

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Board of Directors, Executives and Advisors

<p>Board of Trustees M J Higgins (Chair) R Wakefield S Elcomb C Keeney T Hart (Vice Chair) J Smith (appointed 25th July 2024) K Rudin (appointed 25th July 2024) T Kantharia (appointed 25th July 2024) M Boland (resigned 6th February 2024)</p> <p>Company Secretary Craig Garner</p>	<p>Advisors Independent Auditor Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB</p> <p>Bankers Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF</p>
<p>Registration Details</p> <p>Charity Name: Preston Vocational Centre Ltd</p> <p>Registered Office & Principal Office: Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.</p> <p>Charity Registration Number: 1135863</p> <p>Company Registration Number: 07085396</p>	

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31 July 2024 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1 August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector. Trustees are appointed on a voluntary basis and do not receive remuneration.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance. Trustees follow an induction process to prepare them for their role.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of “Building Skills - Building Futures” and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. In order to achieve the mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from any competitors. We are dedicated to bringing those young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level upon where they can build themselves a positive future.

Trustees' Report (continued)

We have a proven track record and a well-established good reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal economic and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2023 / 2024

Aims and Objectives

2023/24 was the third year of our 2021-26 Business Plan.

Operating Review

The 2021-26 plan is centred around four key themes:

- Schools Performance – we will build on our positive reputation and grow our existing schools and post 16 programme;
- Student Pathways – we will support each student to achieve their preferred positive destination, providing choice and opportunity for a successful future;
- Funded/Community Programmes – we will continue to deliver upon our social purpose and seek to secure grant funding which complements our work and adds value to our learners and the local community;
- Finance and Governance – we will ensure that PVC strengthens its financial resilience and is a well-run organisation.

Each theme has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2023/24 are summarised below.

- We delivered specialist vocational provision to a total of 208 students, an decrease of 55 students from the previous year. Although the number of students attending PVC reduced in 2024, the number of sessions attended increased , ensuring the centre operated at full capacity. Students attended from 23 schools across Lancashire of which 38% were from schools that support

Trustees' Report (continued)

Operating Review 2023 / 2024 (continued)

behaviour, emotional and social difficulties; 40% were from mainstream schools; and 15% were from schools with special educational needs or disabilities. The remaining 7% of students were post 18 and adult learners.

- 76 of the 102 learners who registered for a City and Guilds Level 1 Construction Qualification achieved it, representing an achievement rate of 75% which is an increase from the previous year (2023:72%)
- We delivered specialist vocational provision to a total of 72 non-school students, with programmes including: -
 - **Post 16 Study Programme** – this was delivered through the UK Shared Prosperity Fund (11 students) and Lancashire County Council (1 student) and has enabled 12 students who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 7 of these achieving a City and Guilds Construction level 1 qualification
 - **More Positive Together** – 42 adult students engaged with the European Social Fund More Positive Together provision which provides employment and skills training - this was a 3 year programme which ended 31st December 2023
 - **Guild Lodge** – 2 participants attended the centre on a weekly basis working towards a City and Guilds Level 1 qualification
 - **Taster Sessions** – 8 participants received basic living and construction skills training funded through Foster Care Associates to assist with their transition from foster care to supported living
- Our volunteer and work experience programme has supported 4 adult volunteers to develop their workplace skills totalling 1453 hours.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.

Trustees' Report (continued)

Future plans

Looking ahead to year 4 of the 2021–2026 business plan, PVC will continue to follow the aims as set out in the Operating Review above. PVC will continue to deliver specialist vocational training and support its learners to achieve their potential. PVC will continue to seek opportunities to enhance its provision for post 16 learners by obtaining funding for new initiatives alongside its schools provision.

Financial Review

A surplus for the year of £33,232 is reported which represents 6.6% of turnover exceeding the business plan target of 5%. The focus in 2023/24 was on maximising capacity to ensure sufficient income to cover increased costs driven by inflation in the previous year. This was successfully achieved with income of £501,138 secured during the year, exceeding the £479,510 generated the previous year by 4.5%. This strong level of income combined with tight control of costs ensured that we generated a healthy surplus to add to reserves accumulated in previous years, maintaining a strong financial position. A summary of our Statement of Financial Activities for the past four years is shown below.

	2020/21	2021/22	2022/23	2023/24
	£	£	£	£
Total Income	357,316	404,658	479,510	501,138
Total Expenditure	372,612	393,935	447,857	467,906
Surplus/(Deficit)	(15,296)	10,723	31,653	33,232

The 2023/24 surplus of £33,232 shows a steady improvement of £48,528 from 2020/21 and £1,579 from 2022/23.

The majority of our income, £450,252 (89.85%) was received from schools for the delivery of construction courses to 14 to 16-year olds. The remainder of the income £50,886 (10.15%) was received from donations from Patrons who support us combined with successful bids for grants to carry out programmes of work. This included funding received from the UK Shared Prosperity Fund, the European Social Fund 'More Positive Together' initiative, and The Wildlife Trust. This funding enables PVC to carry out its post-16 and community programmes.

Trustees' Report (continued)

Financial Review (continued)

Expenditure for the year is £467,906 compared to a budget of £463,812. The increase relates to inflationary increases on employee costs, course costs and premises costs offset by reduced vehicle running costs.

The Statement of Financial Position shows fixed assets with value of £54,039 which is the carrying value of a) a van (£46,588) purchased in 2022/23 to transport students for work experience, attending site visits, participating in careers events and collecting materials from construction sites; b) a CCTV system (£1,792) purchased in April 2023 to enhance health and safety provision at the centre and c) a suite of computer hardware to enhance the IT infrastructure at the centre (£5,659).

As shown in the Statement of Financial Position (SoFP) PVC's reserves remain substantial at £170,811 as a result of surpluses generated in previous years and the 2023/24 surplus.

The financial position is reviewed monthly by the Management Team and updates are presented to the Board on a bi-monthly basis. Performance is measured against the annual budget, key performance indicators and the business plan. Our Risk Register is also regularly reviewed.

Reserves Policy

As of 31st July 2024, reserves were £170,811. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As our financial position continues to improve, we can increase our reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

We aim to hold cash reserves in the region of £40,000 to £80,000 to allow us to cover our operating costs for two to three months should anticipated income not materialise.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

Trustees' Report (continued)

Reserves Policy

We are also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. We concentrate on our young people and therefore do not make any grants to organisations or individuals.

Review of Activities

We look to maximise student numbers wherever possible to achieve our target of a range of income sources.

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- the current challenging financial environment and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.
- the short-term nature of some of the current income streams; the competition from other providers which could result in loss of potential new income; and
- risks around Health and Safety, Cyber Security, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board. Risk Management Action Plans have been developed identifying actions to mitigate the risks. In order to mitigate the financial risks, longer term income streams are being identified. As such, we are looking to spread the financial risk over a number of income sources.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Trustees' Report (continued)

Approved by the Board on 10th December 2024 and signed on its behalf by:

M J Higgins

10/02/2025

M Higgins - Chair of the Board of Trustees

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024, and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline 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:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector, control environment and business performance;
- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

As a result of performing the above procedures, we did not identify any key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of trustees, in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all of the engagement team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Calvert ACA (Senior Statutory Auditor)

A. Calvert

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrocks House

1 Faraday Court

Fulwood, Preston

Lancashire. PR2 9NB

Date: 10/02/2025

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2024

	Note	Unrestricted Total Funds 2024 £	Unrestricted Total Funds 2023 £
Incoming and endowments from			
Donations and legacies	2	8,365	21,451
Charitable activities	3	<u>492,772</u>	<u>458,058</u>
Total		<u>501,138</u>	<u>479,510</u>
Expenditure on			
Charitable activities	4	<u>467,906</u>	<u>447,857</u>
Total		<u>467,906</u>	<u>447,857</u>
Net movements in funds		33,232	31,653
Reconciliation of funds			
Total funds brought forward		<u>137,579</u>	<u>105,926</u>
Total funds carried forward	15	<u><u>170,811</u></u>	<u><u>137,579</u></u>

The notes on pages 21 to 31 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2024

		2024		2023	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	13		54,039		53,968
Investments	8		<u>1</u>		<u>1</u>
			54,040		53,969
Current assets					
Debtors	9	26,723		43,403	
Cash at bank and in hand		<u>179,818</u>		<u>141,494</u>	
		206,541		184,897	
Creditors: Amounts falling due within one year					
	10	<u>(89,770)</u>		<u>(101,287)</u>	
Net current (liabilities)/assets			<u>116,771</u>		<u>83,610</u>
Net assets			<u>170,811</u>		<u>137,579</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>170,811</u>		<u>137,579</u>
Total charity funds			<u>170,811</u>		<u>137,579</u>

The notes on pages 21 to 31 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 10th December 2024 and were signed on its behalf by:

M J Higgins

10/02/2025

M Higgins – Chair of the Board of Trustees

Preston Vocational Centre Ltd (Registration Number: 07085396)

Statement of Cashflow for the Year Ended 31 July 2024

	2024	2023
Cash flow from operating activities		
Net income/(expenditure) for the year	33,232	31,653
Depreciation and impairment of tangible fixed assets	11,624	57,087
(Increase)/decrease in debtors	16,680	8,973
Increase/(decrease) in creditors	(11,517)	(26,024)
Net cash flow from operating activities	50,019	71,689
	2024	2023
Cash flows from operating activities	50,019	71,689
Interest paid	0	0
Net cash flow from operating activities	50,019	71,689
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(11,695)	(57,087)
Net cash flow from investing activities	38,324	14,602
Cashflow from financing activities		
Interest paid	0	0
Net cashflow from financing activities	38,324	14,602
Net increase/(decrease) in cash and cash equivalents	38,324	(8,973)
Cash and cash equivalents at beginning of year	141,494	150,467
Cash and cash equivalents at end of year	179,818	141,494

Notes to the Financial Statements for the Year Ended 31 July 2024

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the current high inflation environment highlighted as a principal risk and uncertainty above.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fixed term of three years; however, they may be reappointed thereafter for a maximum of two times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the board's requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

1 Accounting policies (continued)

Governance (continued)

to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Vehicles - 6 years straight-line basis
- Office – 3 years straight-line basis
- Office Equipment – 5 years straight-line basis
- IT – 3 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

1 Accounting policies (continued)

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Donations and legacies

	Unrestricted Total Funds 2024 £	Total Funds 2023 £
Patronage Package	5,000	14,500
Recycling Materials	2,773	135
Other Donations	593	6,816
Donations Total	<u>8,365</u>	<u>21,451</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

3 Charitable activities

	Unrestricted Total Funds 2024 £	Total Funds 2023 £
Income		
Grant Income	42,521	59,957
Education and Training	450,252	398,101
Other Income	8,365	21,451
	<u>501,138</u>	<u>479,509</u>

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2023 £
Direct costs				
Employment costs	334,049	-	334,049	319,155
Establishment costs	59,985	-	59,985	57,174
Repairs and maintenance	8,811	-	8,811	13,941
Office expenses	11,740	-	11,740	10,466
Printing, posting and stationery	1,813	-	1,813	1,421
Subscriptions	1,172	-	1,172	964
Sundry and other cost	582	-	582	488
Cleaning	965	-	965	2,345
Travel and subsistence	135	-	135	92
Depreciation	11,624	-	11,624	8,081
Recharge from parent company	-	30,000	30,000	30,000
Audit fees	-	4,680	4,680	3,000
Bank charges	470	-	470	547
	<u>431,346</u>	<u>34,680</u>	<u>466,026</u>	<u>447,674</u>

	Education and training £	Governance £	Total £	2023 £
Other Expenditure				
Community Projects	1,880	-	1,880	183
	<u>1,880</u>	<u>-</u>	<u>1,880</u>	<u>183</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2024	2023
Charitable activities - employee numbers	<u>13</u>	<u>13</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£	£
Wages and salaries	288,377	283,368
National Insurance	26,153	22,298
Other pension costs	<u>17,987</u>	<u>13,489</u>
	<u>332,517</u>	<u>319,155</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2023 and 31 July 2024	1
Net book value As at 31 July 2024	1
	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings Preston Construction Centre Ltd			1	-

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

9 Debtors

	2024	2023
	£	£
Trade debtors	21,470	38,970
Prepayments and accrued income	5,253	4,433
	<u>26,723</u>	<u>43,403</u>

10 Creditors: Amounts falling due within one year

	2024	2023
	£	£
Amounts owed to group undertakings	33,248	35,019
Trade creditors	8,158	9,623
Accruals and deferred income	24,614	28,728
Deferred capital grant	23,750	27,917
	<u>89,770</u>	<u>101,287</u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

12 Operating Lease commitments

As at 31 July 2024 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2023/24	2022/23
	£	£
Due within 1 year	22,200	3,200
Due 2 – 5 years	25,900	-
	<u>48,100</u>	<u>3,200</u>
	£	£
Operating lease expenditure	<u>23,500</u>	<u>19,200</u>
	<u>23,500</u>	<u>19,200</u>

13 Fixed assets

	Offices	Equipment	IT	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2023	13,740	2,389	-	54,698	70,827
Additions	-	-	6,367	5,328	11,695
Disposals	-	-	-	-	-
At 31 July 2024	<u>13,740</u>	<u>2,389</u>	<u>6,367</u>	<u>60,026</u>	<u>82,522</u>
Less: Depreciation					
At 1 August 2023	13,358	119	-	3,382	16,859
Charge for the period	382	478	707	10,057	11,624
	-	-	-	-	-
At 31 July 2024	<u>13,740</u>	<u>597</u>	<u>707</u>	<u>13,439</u>	<u>28,483</u>
Book Value as at 31 July 2024	<u>-</u>	<u>1,792</u>	<u>5,659</u>	<u>46,587</u>	<u>54,039</u>
Book Value as at 31 July 2023	<u>382</u>	<u>2,270</u>	<u>-</u>	<u>51,316</u>	<u>53,968</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

14 Analysis of funds

	At 1 August 2023	Incoming resources	Resources expended	At 31 July 2024
	£	£	£	£
General funds				
Unrestricted income fund	137,579	501,138	(467,906)	170,811

15 Net assets by fund

	Unrestricted Total Funds 2024	Unrestricted Total Funds 2023
	£	£
Tangible assets	54,038	53,968
Investments	1	1
Current assets	206,542	184,897
Creditors: Amounts falling due within one year	<u>(89,770)</u>	<u>(101,287)</u>
Net assets	<u><u>170,811</u></u>	<u><u>137,579</u></u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £17,987 (2023 - £13,489).

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Maureen Boland resigned from the PVC Board on 6th February 2024 and is a Director at Conlon Construction, a company that transacts with PVC and CGA.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC and CGA.

Related Party Transactions

During 2023/24 the following transactions included in the Financial Statements took place between CGA and PVC:

- Income of £2,280 from CGA for providing training to CGA employees
- The Statement of Financial Position includes a parent company creditor of £33,248 which represents:
 - payments for goods and services made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year;
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.

During 2023/24 the following transactions included in the Financial Statements took place between JFN Integrated Solutions and PVC:

- Payments for goods and services from JFN Integrated Solutions Limited totalled £2,213

PRIVATE & CONFIDENTIAL

The Board of Directors
Preston Vocational Centre Ltd
Preston City Council Services Site
St Paul's Road
Preston
Lancashire
PR1 1PX

Shorrock House
1 Faraday Court
Fulwood
Preston
Lancashire
PR2 9NB

T: 01772 693111
F: 01772 652661
E: mail@rushtonsaccountants.com
W: www.rushtonsaccountants.com

2 December 2024

Dear Sirs

Report to Management

During the course of our audit for the year ended 31 July 2024 one matter arose that we consider should be brought to your attention.

This matter was in respect of the "Business Premium" bank account not having had bank interest posted to the nominal ledger, which would suggest that this account was not reconciled at year end. The main current account is reconciled and there were no other issues identified, therefore this is a minor issue.

This matter came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We have complied with the Ethical Standards for Auditors and all threats to our independence, as identified to you, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw your attention to and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the Directors of Preston Vocational Centre Ltd and must not be shown to third parties without our prior consent. No responsibilities are accepted by Rushtons towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the company's staff who assisted us in carrying out our work.

Yours faithfully

Rushtons

RUSHTONS

Also at: Blackpool T: 01253 345444

Rushtons is the trading name of Rushtons (NW) Limited

Registered Office: Shorrock House, 1 Faraday Court, Fulwood, Preston, Lancashire, PR2 9NB

Registered in England Number 07160541 VAT Reg No: 483 2595 21

A list of Directors is available at the Registered Office

Registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales



**ICAEW
CHARTERED
ACCOUNTANTS**



A Member of
North & Western
Lancashire
Chamber of Commerce

PRESTON VOCATIONAL CENTRE LTD

England & Wales - Charity number 1135863

Accounts



Trustees' Annual Report for the period

Period start date			Period end date				
From	Day	Month	Year	To	Day	Month	Year
	1	Aug	2022		31	July	2023

Section A

Reference and administration details

Charity name Preston Vocational Centre

Other names charity is known by PVC

Registered charity number (if any) 1135863

Charity's principal address St Paul's Road

Preston

Postcode

PR1 1PX

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Maureen Boland			Preston Vocational Centre
2	Sian Elcomb			Preston Vocational Centre
3	Trevor Hart	Vice Chair		Preston Vocational Centre
4	Michael Higgins	Chair		Preston Vocational Centre
5	Chris Keeney			Preston Vocational Centre
6	Rob Wakefield			Community Gateway Association
7	Amanda Watson		1 st August 2022 to 6 th June 2023	Preston Vocational Centre
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name

Dates acted if not for whole year

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

Claire Smith – Executive Lead for PVC & Head of Culture and Engagement at Community Gateway Association (Parent company)
 Craig Garner – PVC Company Secretary
 Martin Grayston - PVC Centre Manager

Section B Structure, governance and management

Description of the charity’s trusts

Type of governing document <i>(eg. trust deed, constitution)</i>	Memorandum and Articles of Association
How the charity is constituted <i>(eg. trust, association, company)</i>	Company Limited by Guarantee
Trustee selection methods <i>(eg. appointed by, elected by)</i>	Appointed by the PVC Board in line with Group Policies

Additional governance issues (Optional information)

You **may choose** to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity’s organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees’ consideration of major risks and the system and procedures to manage them.

PVC was established in February 2009 and became a charity in May 2010. On 1st August 2013, PVC became a subsidiary of Community Gateway Association Ltd (CGA) and an Intra Group Agreement was signed. The Intra Group Agreement was last reviewed and approved by the Parent and Subsidiary Boards in February 2023 and is next due for review in February 2026.

PVC delivers construction based vocational training and has become highly regarded amongst partners and stakeholders as a specialist construction training facility. PVC has a trading subsidiary, Preston Construction Centre Limited which is currently dormant.

The Charity draws its Trustees from both the public and private sector, including specialist skills from the education and construction sectors. The PVC Board is continually developing using a system of annual collective and individual appraisals that enable the Board to recognise both the strengths and any skill gaps that may need addressing. An induction programme is provided for new Trustees and ongoing training is delivered via a range of methods including Planning Days and attendance at external conferences and seminars. Succession plans for future Trustee recruitment are in

place to ensure PVC maintains the required knowledge, skills and experience.

PVC has a risk management framework in place and the risk register is regularly reviewed by the Management Team, PVC's Board and the Risk Review Group of the parent, Community Gateway Association. An ongoing risk during 2022/23 was the impact of the macro-economic climate, however the Centre has continue operating effectively and maintained its financial viability.

PVC has adopted the Charity Governance Code and undertakes an annual assessment of compliance. Any areas of improvement identified are included in a governance action plan and the Board monitor implementation of the action plan throughout the year.

Section C Objectives and activities

Summary of the objects of the charity set out in its governing document

To advance the education of children, young people and adults, especially those living within the Preston area, in particular through provision of vocational training, supporting their personal development, and equipping them for further education, employment and training.

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)

PVC provides vocational training opportunities in a wide range of construction skills which include; Brickwork, Plastering, Painting & Decorating, Carpentry, Joinery, and Plumbing and Tiling for young people and adults from around Preston and the surrounding Districts.

Alongside the vocational training, we provide pastoral wrap around support to create a positive, inclusive and supportive environment.

PVC operates under three key themes which are:

- Pre 16
- Post 16 Not in Employment, Education, or Training (NEET)
- Adults

VISION STATEMENT

Building Skills – Building Futures

MISSION STATEMENT

To deliver the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future.

VALUES

We developed a suite of values in partnership with our learners, to set out the expectations of everyone and our commitment to how we will do things. Our six values are:

Inclusive – We embrace the differences that come from a wide

range of backgrounds. We ensure everyone has the opportunity to learn and grow.

Passionate – We are passionate in our approach to inspire learning and celebrate success.

Respectful – We encourage and promote positive responses towards people, our activities and most importantly ourselves.

Integrity – We unconditionally promote being open, honest and transparent in all that we do.

Empowering – Through training and support we enable people to realise their full potential and improve their futures.

Quality – We have a commitment to exceed expectations in everything we do.

PVC's learners come from a diverse array of providers and include Key Stage 4 students, 14 to 16-year-old pupils from mainstream education, and those with Special Educational Needs and Disabilities (SEND), as well as post-16 pupils. Many of our post-16 learners are often disaffected or disengaged and require a transition to work program.

PVC fulfills its mission by continuously developing and nurturing both existing and new partnerships that promote genuine collaborative efforts. These partnerships include local high schools, Pupil Referral Units, Special Educational Needs and Disabilities (SEND) schools, the Youth Offending Team, Lancashire Constabulary's Early Action Team, Lancashire Care NHS Foundation Trust, Lancashire Children's Social Care, Lancashire Probation Service, and various local community organisations.

The PVC Awards evening is an annual event held at the centre every July, celebrating the hard-earned achievements of our students with the presentation of Qualification certificates and various other awards. This prestigious evening has been generously sponsored by organisations including: Conlon Construction Ltd, Travis Perkins Ltd, Community Gateway Association Ltd, JFN Integrated Solutions Ltd, SIKA Ltd, Persimmon Homes Ltd, Seddon Construction Ltd, Xacom Ltd, CCH Joinery Ltd, and Barnfield Construction.

Furthermore, PVC retained its Specialist Partner status to deliver NEET (Not in Education, Employment, or Training) provision for 16-24-year-olds, with funding secured through the ESF-funded program up to March 2023. Subsequently, PVC successfully re-applied for additional funding starting from April 1, 2023, through the UK Shared Prosperity Fund (UKSPF) via Selnet and Preston City Council. This allows PVC to continue providing post-16 training for young people aged 14-24 residing in Preston, with the funding extending until March 2025.

Our goal is to support anyone in need of the learning opportunities we offer. Our experience has demonstrated our ability to collaborate effectively with a variety of providers and cater to a diverse learner population.

Additional details of objectives and activities (Optional information)

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

We do not provide grants to organisations or individuals.

Any surplus funds are reinvested into the business to support its ongoing development and to build adequate reserves, as outlined in our business plan. This approach enables PVC to invest in future growth effectively.

We are supported by a small number of volunteers, who provide valuable skills, resource and in particular are positive role models for our young people.

Summary of the main achievements of the charity during the year

Preston Vocational Centre has a growing reputation through the work we deliver with partner schools in Preston and the surrounding areas.

During 2022/23, PVC focused on continuing to deliver high-quality training for our partner schools, applying for additional funding for post-16 programs, and obtaining direct claim status from our awarding body, City & Guilds.

Key highlights of the year are listed below:

- PVC delivered specialist vocational provision to a total of 231 students from 29 schools across Lancashire of which 51.95% were from schools that support behaviour, emotional and social difficulties; 16.88% were from mainstream schools; and 28.18% were from schools with special educational needs or disabilities;
- Of the 98 school and sixth form leavers in July 2023, 80 (81.63%) achieved a City and Guilds Level 1 Construction qualification.

As well as school students, 10 non-school students benefitted from PVC's specialist training through the following programmes:

- Post 16 Pre-Apprenticeship programme, delivered through European structural and Investment Fund (ESIF) enabling 7 students who are Not In Training, Education or Employment (NEETs) to achieve a City & Guilds Level 1 qualification; 1 student funded through Lancashire County Council (Looked after student)
- More Positive Together – funding to provide employment and skills training for 68 students;
- Guild Lodge (NHS facility) – 2 participants attended the Centre over a number of weeks working towards a City and Guilds Level 1 qualification.

Section E Financial review

Brief statement of the charity's policy on reserves

2022/23 Financial Review
As of 31st July 2023, PVC's reserves were £137,579. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As the financial position of PVC continues to improve, this will allow PVC to increase its reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

PVC aims to hold cash reserves in the region of £40,000 to £60,000 to allow it to cover its operating costs for two to three months should anticipated income not materialise. The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

Details of any funds materially in deficit

None at present

Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

In 2022/23 the majority of PVC's income, £398,101 (83.02%) was received from the delivery of construction courses to 14 - 18 year olds. The remainder of the income £81,408 (16.98%) was received from donations and successful bids for grant funding to carry out programmes of work, with funding received from European Structural and Investment Fund (ESIF), and the European Social Fund 'More positive Together' initiative. Donations were also received from patrons who support us.

During the year PVC invested in a vehicle to support it's activities which will be used to enable students to attend work experience and site visits, staff to attend careers events and to collect materials donated for training purposes.

Section F Other optional information

[Empty box for optional information]

Section G Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)

[Signature box containing a handwritten signature]

Full name(s)	Michael Higgins	
Position (eg Secretary, Chair, etc)	Chair	
Date	24/05/2024.	

**PRESTON
VOCATIONAL
CENTRE**



Building Skills | Building Futures

Annual Report and Financial Statements

Year ended 31st July 2023

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Board of Directors, Executives and Advisors

<p>Board of Trustees M J Higgins (Chair) M Boland R Wakefield S Elcomb C Keeney T Hart A Watson (Resigned 6th June 2023)</p> <p>Company Secretary Craig Garner</p>	<p>Advisors Independent Auditor Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB</p> <p>Bankers Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF</p>
<p>Registration Details</p> <p>Charity Name: Preston Vocational Centre Ltd</p> <p>Registered Office & Principal Office: Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.</p> <p>Charity Registration Number: 1135863</p> <p>Company Registration Number: 07085396</p>	

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31 July 2023 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1 August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of "Building Skills - Building Futures" and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. In order to achieve the mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from any competitors. We are dedicated to bringing those young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level upon where they can build themselves a positive future.

We have a proven track record and a well-established good reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

Trustees' Report (continued)

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal economic and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2022 / 2023

Aims and Objectives

2022/23 was the second year of our 2021-26 Business Plan.

Operating Review

The 2021-26 plan is centred around four key themes:

- Schools Performance – we will build on our positive reputation and grow our existing schools and post 16 programme;
- Student Pathways – we will support each student to achieve their preferred positive destination, providing choice and opportunity for a successful future;
- Funded/Community Programmes – we will continue to deliver upon our social purpose and seek to secure grant funding which complements our work and adds value to our learners and the local community;
- Finance and Governance – we will ensure that PVC strengthens its financial resilience and is a well-run organisation.

Each theme has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2022/23 are summarised below.

- We delivered specialist vocational provision to a total of 263 students, an increase of 90 students from the previous year. Students attended from 27 schools across Lancashire of which 49% were from schools that support behaviour, emotional and social difficulties; 21% were from mainstream schools; and 30% were from schools with special educational needs or disabilities.
- 82 of the 114 learners who registered for a City and Guilds Level 1 Construction Qualification achieved it, representing an achievement rate of 72%.

Trustees' Report (continued)

Operating Review 2022 / 2023 (continued)

- We delivered specialist vocational provision to a total of 72 non-school students, with programmes including: -
 - **Post 16 Study Programme** – this was delivered through European Structural & Investment Fund (ESIF funding), and has enabled 8 students who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 6 of these achieving a City and Guilds Construction level 1 qualification.
 - **More Positive Together** - 42 Adult students engaged with the European Social Fund More Positive Together provision which provides employment and skills training.
 - **Meaningful Use of Time** – funded by Preston City Council to support the city's homelessness provision, 16 participants have engaged in taster sessions in a number of trades with further intensive trade specific courses planned in future months.
 - **Guild Lodge** – 6 participants attended the centre on a weekly basis working towards a City and Guilds Level 1 qualification.
- Our volunteer and work experience programme has supported 4 adult volunteers to develop their workplace skills.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.

Financial Review

A surplus for the year of £31,653 is reported which represents 6.6% of turnover exceeding the business plan target of 5%. The focus in 2022/23 was on increasing income to the level achieved prior to the Covid-19 pandemic. This was successfully achieved with income of £479,510 secured during the year, exceeding the £438,375 pre covid-19 level of income by over 9%. This strong level of income combined with tight control of costs ensured that we generated a healthy surplus to add to reserves accumulated in previous years, maintaining a strong financial position. A summary of our Statement of Financial Activities for the past four years is shown below.

Trustees' Report (continued)

Financial Review (continued)

	2019/20	2020/21	2021/22	2022/23
	£	£	£	£
Total Income	438,375	357,316	404,658	479,510
Total Expenditure	382,954	372,612	393,935	447,857
Surplus/(Deficit)	55,421	(15,296)	10,723	31,653

The 2022/23 surplus of £31,653 shows a steady improvement of £46,949 from 2020/21 and £20,930 from 2021/22 as income levels increased above the pre Covid-19 pandemic levels.

The majority of our income, £398,101 (83.02%) was received from schools for the delivery of construction courses to 14 to 16-year olds. The remainder of the income £81,408 (16.98%) was received from donations from Patrons who support us combined with successful bids for grants to carry out programmes of work. This included funding received from Preston City Council 'Meaningful Use of Time' fund, European Structural and Investment Fund (ESIF) and the European Social Fund 'More Positive Together' initiative.

Expenditure for the year is £447,857 compared to a budget of £440,285. The increase relates to inflationary increases on employee costs, course costs and premises costs offset by reduced vehicle running costs.

The Statement of Financial Position shows fixed assets with value of £53,969, which is the carrying value of a) a van (£51,317) purchased in 2022/23 to transport students for work experience, attending site visits, participating in careers events and collecting materials from construction sites; b) a portacabin (£382) purchased in 2020/21 to increase capacity at the centre facilitating operation in a Covid secure manner and c) a CCTV system purchased in April 2023 to enhance health and safety provision at the centre.

As shown in the Statement of Financial Position (SoFP) PVC's reserves remain substantial at £137,579 as a result of surpluses generated in previous years and the 2022/23 surplus.

Trustees' Report (continued)

Financial Review (continued)

The financial position is reviewed monthly by the Management Team and updates are presented to the Board on a bi-monthly basis. Performance is measured against the annual budget, key performance indicators and the business plan. Our Risk Register is also regularly reviewed.

Reserves Policy

As of 31st July 2023, reserves were £137,579. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As our financial position continues to improve, we can increase our reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

We aim to hold cash reserves in the region of £40,000 to £60,000 to allow us to cover our operating costs for two to three months should anticipated income not materialise.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

We are also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. We concentrate on our young people and therefore do not make any grants to organisations or individuals.

Review of Activities

We look to maximise student numbers wherever possible to achieve our target of a range of income sources.

Trustees' Report (continued)

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- the current challenging financial environment and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.
- the short-term nature of some of the current income streams; the competition from other providers which could result in loss of potential new income; and
- risks around Health and Safety, Cyber Security, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board. Risk Management Action Plans have been developed identifying actions to mitigate the risks. In order to mitigate the financial risks, longer term income streams are being identified. As such, we are looking to spread the financial risk over a number of income sources.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Small company provisions

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

Approved by the Board on 12/04/2024 and signed on its behalf by:

Michael Higgins

M Higgins - Chair of the Board of Trustees

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline 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:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector, control environment and business performance;
- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

As a result of performing the above procedures, we did not identify any key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of trustees, in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all of the engagement team, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A. Calvert

Adam Calvert ACA (Senior Statutory Auditor)

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrocks House

1 Faraday Court

Fulwood, Preston

Lancashire. PR2 9NB

Date: 12/04/2024

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2023

	Note	Unrestricted Total Funds 2023 £	Unrestricted Total Funds 2022 £
Incoming and endowments from			
Donations and legacies	2	21,451	35,210
Charitable activities	3	<u>458,058</u>	<u>369,448</u>
Total		<u>479,510</u>	<u>404,658</u>
Expenditure on			
Charitable activities	4	<u>447,857</u>	<u>393,935</u>
Total		<u>447,857</u>	<u>393,935</u>
Net movements in funds		31,653	10,723
Reconciliation of funds			
Total funds brought forward		<u>105,926</u>	<u>95,203</u>
Total funds carried forward	15	<u><u>137,579</u></u>	<u><u>105,926</u></u>

The notes on pages 19 to 29 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2023

		2023		2022	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	13		53,968		4,962
Investments	8		<u>1</u>		<u>1</u>
			53,969		4,963
Current assets					
Debtors	9	43,403		25,759	
Cash at bank and in hand		<u>141,494</u>		<u>150,467</u>	
		184,897		176,226	
Creditors: Amounts falling due within one year					
	10	<u>(101,287)</u>		<u>(75,263)</u>	
Net current (liabilities)/assets			<u>83,610</u>		<u>100,963</u>
Net assets			<u>137,579</u>		<u>105,926</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>137,579</u>		<u>105,926</u>
Total charity funds			<u>137,579</u>		<u>105,926</u>

The notes on pages 19 to 29 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 12/04/2024 and were signed on its behalf by:

Michael Higgins

M Higgins – Chair of the Board of Trustees

Preston Vocational Centre Ltd

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

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Board also confirm that PVC meets the definition of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS 102. The exemptions applied relate to the cashflow statement and the strategic report.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the current high inflation environment highlighted as a principal risk and uncertainty above.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fixed term of three years; however, they may be reappointed thereafter for a maximum of two times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the board's requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1 Accounting policies (continued)

Governance (continued)

to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Vehicles - 6 years straight-line basis
- Office – 3 years straight-line basis
- Equipment – 5 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1 Accounting policies (continued)

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Donations and legacies

	Unrestricted Total Funds 2023 £	Total Funds 2022 £
Patronage Package	14,500	19,008
Building Blocks for your Future	-	10,129
Recycling Materials	135	4,033
Other Donations	6,816	2,040
Donations Total	<u>21,451</u>	<u>35,210</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

3 Charitable activities

	Unrestricted Total Funds 2023 £	Total Funds 2022 £
Income		
Grant Income	59,957	33,685
Education and Training	398,101	333,167
Other Income	-	2,597
	<u>458,058</u>	<u>369,448</u>

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2022 £
Direct costs				
Employment costs	319,155	-	319,155	279,491
Establishment costs	57,174	-	57,174	52,234
Repairs and maintenance	13,941	-	13,941	3,800
Office expenses	10,466	-	10,466	10,035
Printing, posting and stationery	1,421	-	1,421	1,445
Subscriptions	964	-	964	295
Sundry and other cost	488	-	488	374
Cleaning	2,345	-	2,345	2,631
Travel and subsistence	92	-	92	113
Depreciation	8,081	-	8,081	9,157
Recharge from parent company	-	30,000	30,000	30,000
Audit fees	-	3,000	3,000	2,580
Bank charges	547	-	547	368
	<u>414,674</u>	<u>33,000</u>	<u>447,674</u>	<u>392,524</u>

	Education and training £	Governance £	Total £	2022 £
Other Expenditure				
Community Projects	183	-	183	1,411
	<u>183</u>	<u>-</u>	<u>183</u>	<u>1,411</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2023	2022
Charitable activities - employee numbers	<u>9</u>	<u>9</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2023	2022
	£	£
Wages and salaries	283,368	243,964
National Insurance	22,298	21,655
Other pension costs	<u>13,489</u>	<u>13,872</u>
	<u>319,155</u>	<u>279,491</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2022 and 31 July 2023	1
Net book value As at 31 July 2023	1
	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings Preston Construction Centre Ltd			1	-

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

9 Debtors

	2023	2022
	£	£
Trade debtors	38,970	18,217
Prepayments and accrued income	4,433	7,542
	<u>43,403</u>	<u>25,759</u>

10 Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	35,019	31,276
Trade creditors	9,623	5,196
Accruals and deferred income	28,728	38,792
Deferred capital grant	27,917	-
	<u>101,287</u>	<u>75,263</u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

12 Operating Lease commitments

As at 31 July 2023 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2022/23	2021/22
	£	£
Due within 1 year	3,200	19,200
Due 2 – 5 years	-	3,200
Due 5+ years	-	-
	<u>3,200</u>	<u>22,400</u>
	£	£
Operating lease expenditure	<u>19,200</u>	<u>19,200</u>
	<u>19,200</u>	<u>19,200</u>

13 Fixed assets

	Offices	Equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 August 2022	13,740	-	-	13,740
Additions	-	2,389	54,698	57,087
Disposals	-	-	-	-
At 31 July 2023	<u>13,740</u>	<u>2,389</u>	<u>54,698</u>	<u>70,827</u>
Less: Depreciation				
At 1 August 2022	8,778	-	-	8,778
Charge for the period	4,580	119	3,382	8,081
	-	-	-	-
At 31 July 2023	<u>13,358</u>	<u>119</u>	<u>3,382</u>	<u>16,859</u>
Book Value as at 31 July 2023	<u>382</u>	<u>2,270</u>	<u>51,316</u>	<u>53,968</u>
Book Value as at 31 July 2022	<u>4,962</u>	<u>-</u>	<u>-</u>	<u>4,962</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

14 Analysis of funds

	At 1 August 2022	Incoming resources	Resources expended	At 31 July 2023
	£	£	£	£
General funds				
Unrestricted income fund	105,926	479,510	(447,857)	137,579

15 Net assets by fund

	Unrestricted Total Funds 2023	Unrestricted Total Funds 2022
	£	£
Tangible assets	53,968	4,962
Investments	1	1
Current assets	184,897	176,226
Creditors: Amounts falling due within one year	(101,287)	(75,263)
Net assets	<u>137,579</u>	<u>105,926</u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £13,489 (2022 - £13,872).

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Maureen Boland is a member of PVC's board and a Director at Conlon Construction, a company that transacts with PVC and CGA.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC and CGA.

Related Party Transactions

During 2022/23 the following transactions included in the Financial Statements took place between CGA and PVC:

- A grant of £30,000 was provided to PVC from CGA for the purchase of a vehicle to be used by both PVC and CGA
- Income of £800 from CGA for providing training to CGA employees
- The year-end Balance Sheet also shows a parent company creditor of £35,019 which represents:
 - payments for goods and services made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year;
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.

During 2022/23 the following transactions included in the Financial Statements took place between Conlon Construction and PVC:

- Conlon Construction donated £5,000 to PVC

During 2022/23 the following transactions included in the Financial Statements took place between JFN Integrated Solutions and PVC:

- JFN Integrated Solutions Limited donated £250 to PVC
- Payment for goods and services from JFN Integrated Solutions Limited totalled £6,837

PRIVATE & CONFIDENTIAL

The Board of Directors
Preston Vocational Centre Ltd
Preston City Council Services Site
St Paul's Road
Preston
Lancashire
PR1 9PX

Shorrock House
Faraday Court
Fulwood
Preston
Lancashire
PR2 9NB
T: 01772 693111
F: 01772 652661
E: mail@rushtonsaccountants.com
W: www.rushtonsaccountants.com

28 November 2023

Our Ref: PVC A1052/JB/LB

Dear Sirs

Report to Management

During the course of our audit for the year ended 31 July 2023 there were no matters which we consider should be brought to your attention.

No matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We have complied with the Ethical Standards for Auditors and all threats to our independence, as identified to you, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw your attention to and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the Directors of Preston Vocational Centre Ltd and must not be shown to third parties without our prior consent. No responsibilities are accepted by Rushtons towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the company's staff who assisted us in carrying out our work.

Yours faithfully

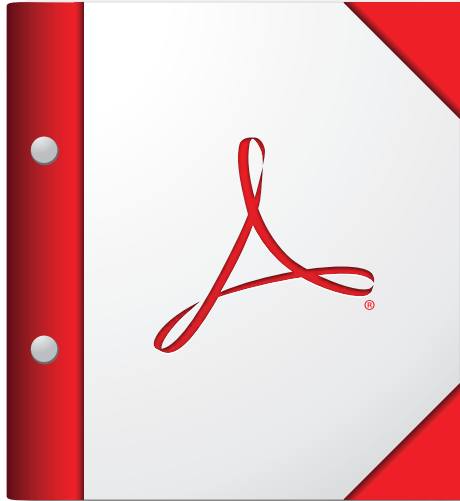
RUSHTONS

Rushtons is the trading name of Rushtons (NW) Limited
Registered in England Number 07160541
VAT Reg No: 483 2595 21
A list of Directors is available at the Registered Office

PRESTON VOCATIONAL CENTRE LTD

England & Wales - Charity number 1135863

Accounts



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PRESTON VOCATIONAL CENTRE LTD

England & Wales - Charity number 1135863

Accounts



Trustees' Annual Report for the period

From	Period start date			To	Period end date		
	Day 1	Month Aug	Year 2020		Day 31	Month July	Year 2021

Section A Reference and administration details

Charity name Preston Vocational Centre

Other names charity is known by PVC

Registered charity number (if any) 1135863

Charity's principal address St Paul's Road

Preston

Postcode

PR1 1PX

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Julie Bather	Chair	Resigned from the Board on 1 st March 2021. Chair up to 1 st March 2021.	Preston Vocational Centre
2	Rob Wakefield			Community Gateway Association
3	Maureen Boland			Preston Vocational Centre
4	Sian Elcomb			Preston Vocational Centre
5	Michael Higgins	Chair	Vice Chair up to 1 st March 2021. Chair from 1 st March 2021.	Preston Vocational Centre
6	Chris Keeney			Preston Vocational Centre
7	Trevor Hart	Vice Chair	Vice Chair from 1 st March 2021.	Preston Vocational Centre
8	Amanda Watson			Preston Vocational Centre
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

Claire Smith – Executive Lead for PVC & Head of Culture and Engagement at Community Gateway Association (Parent)

Craig Garner – PVC Company Secretary

Martin Grayston - PVC Centre Manager

Section B Structure, governance and management

Description of the charity's trusts

Type of governing document (eg. trust deed, constitution)	Memorandum and Articles of Association
How the charity is constituted (eg. trust, association, company)	Company Limited by Guarantee
Trustee selection methods (eg. appointed by, elected by)	Appointed by the PVC Board in line with Group Policies

Additional governance issues (Optional information)

You **may choose** to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity's organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees' consideration of major risks and the system and procedures to manage them.

PVC was established in February 2009 and became a charity in May 2010. On 1st August 2013, PVC became a subsidiary of Community Gateway Association Ltd (CGA) and an Intra Group Agreement was signed. The Intra Group Agreement was last reviewed and approved by the Parent and Subsidiary Boards in February 2020 and is next due for review in February 2023.

PVC delivers construction based vocational training and has become highly regarded amongst partners and stakeholders as a specialist construction training facility. PVC has a trading subsidiary, Preston Construction Centre Limited which is currently dormant.

The Charity draws its Trustees from both the public and private sector, including specialist skills from the education sector. The PVC Board is continually developing using a system of annual collective and individual appraisals that enable the Board to recognise both the strengths and any skill gaps that may need addressing. An induction programme is provided for new Trustees and ongoing training is delivered via a range of methods including Planning Days and attendance at external conferences and seminars. Succession plans for future Trustee recruitment are in

place to ensure PVC maintains the required knowledge, skills and experience.

PVC has a risk management framework in place and the risk register is regularly reviewed by the Management Team, PVC's Board and the Risk Review Group of the parent, Community Gateway Association. An ongoing risk during 2020/21 has been the Covid-19 pandemic and the impact on students being able to attend the Centre, however mitigating actions have been taken to enable the Centre to continue operating and minimise financial losses.

PVC has adopted the Charity Governance Code and undertakes an annual assessment of compliance. Any areas of improvement identified are included in a governance action plan and the Board monitor implementation of the action plan throughout the year.

Section C Objectives and activities

Summary of the objects of the charity set out in its governing document

To advance the education of children, young people and adults, especially those living within the Preston area, in particular through provision of vocational training, supporting their personal development, and equipping them for further education, employment and training.

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)

PVC provides vocational training opportunities in a wide range of construction skills which include; Brickwork, Plastering, Painting & Decorating, Carpentry, Joinery, and Building Maintenance for young people and adults from around Preston and the surrounding Districts.

Alongside the vocational training, we provide pastoral wrap around support to create a positive, inclusive and supportive environment.

We operate under three key themes which are:

- Pre 16
- Post 16 Not in Employment, Education, or Training (NEET)
- Adults

VISION STATEMENT

Building Skills – Building Futures

MISSION STATEMENT

To deliver the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future.

VALUES

We developed a suite of values in partnership with our learners, to set out the expectations of everyone and our commitment to how we will do things. Our six values are:

Inclusive – We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.

Passionate – We are passionate in our approach to inspire learning and celebrate success.

Respectful – We encourage and promote positive responses towards people, our activities and most importantly ourselves.

Integrity – We unconditionally promote being open, honest and transparent in all that we do.

Empowering – Through training and support we enable people to realise their full potential and improve their futures.

Quality – We have a commitment to exceed expectations in everything we do.

Many of PVC's learners come from a range of providers and include Key Stage 4, 14 to 16 year old pupils from mainstream education, those who are SEND (Special Educational Needs & Disability), as well as post 16 year old pupils. Many of our post 16 learners are often disaffected or disengaged and need a transition to work programme.

PVC is able to deliver its mission through the continuing development of existing and new partnerships which foster true collaborative working.

These include local high schools, Pupil Referral Units, Special Educational Needs and Disabilities (SEND) schools, Youth Offending Team, Child Action North West (CANW) Lancashire Constabulary's Early Action Team, Lancashire Care NHS Foundation Trust, Lancashire Children's Social Care, Lancashire Probationary Service and local Community organisations.

PVC has also received grant funding from the Office of the Police & Crime Commissioner for Lancashire and received sponsorships for the Annual Awards Evening from: Conlon Construction, Travis Perkins, Community Gateway, JFN Integrated Solutions and SIKA Ltd.

Furthermore, PVC's retained its Specialist Partner status to deliver NEET Provision to 16–24 year olds and funding for this programme has now been extended to March 2023.

It is our aim to support anyone who requires the type of learning which we provide, and our experience to date has shown we can work with a range of providers with a diverse learner population.

Additional details of objectives and activities (Optional information)

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

We do not make grants to organisations or individuals.

Any surpluses are re-invested back into the business for its further development and to build up adequate reserves in line with the business plan, in order to enable PVC to invest in future growth.

We are supported by a small number of volunteers, who provide valuable skills, resource and in particular are positive role models for our young people.

Summary of the main achievements of the charity during the year

Preston Vocational Centre has a growing reputation through the work we deliver with partner schools in Preston and the surrounding areas.

The ongoing Covid-19 pandemic continued to impact PVC in 2020/21 however the Centre was able to remain open throughout the year. The Centre's adapted delivery measures remained in place to ensure staff and student safety.

PVC delivered specialist vocational provision to a total of 228 beneficiaries in 2020/21, including 157 learners from 21 high schools across Lancashire. This resulted in 59 learners achieving a BTEC qualification in Construction. In addition, 11 learners attended our Post 16 provision with a further 33 adult beneficiaries attending the Centre through various grant funded projects.

The qualifications delivered included the BTEC Award, BTEC Level 1 Certificate, and BTEC Extended Certificate. There are a small number of learners who attended our Building Skills Schools programme who are on a two year programme. These students will receive BTEC and City & Guilds qualification certificates upon completion of the course.

Training programmes are also offered for those learners with Special Educational Needs and Disabilities (SEND), often with behavioural or medical needs, with a need for specialist training provision at higher teacher to pupil ratios.

PVC's grant funded projects include:-

- Post 16 Pre-apprenticeship programme provides targeted provision for 16-18 NEET's in partnership with the Lancashire Employment & Skills Executive Partnership (LESEP) and is funded through the European Social Fund.
- More Positive Together is delivered in partnership with Active Lancashire and aims to engage and support individuals who are unemployed or economically inactive, who may have multiple social, emotional and economic barriers. We deliver construction workshops in decorating, plumbing, general maintenance, brickwork, joinery, painting, and plastering as well as employability support. This project is funded through the European Structural & Investment Fund programme through Active Lancashire..
- Active Lancashire funded a Befriending Project to encourage young people to connect with their friends and maintain a positive mental and physical wellbeing. PVC delivered a Football Challenge with over 30 learners getting involved.
- Procure Plus included PVC in their bid application for funding from CITB's Construction Skills Fund. This project supports individuals to start their careers in construction.

Section D

Achievements and performance

Other notable highlights were:

- 90% of 2021 school learners and post 16 are now in education or employment opportunities

PVC continued to widen their geographical footprint across Lancashire with the development of new partnerships with schools. PVC also supported grassroots organisations by continuing to deliver a number of projects, which benefit the local community while enabling learners to gain real life work experience. Furthermore, by building social resilience within those beneficiaries who engage with our projects we have established healthy relationships fostered through mentoring support, which in turn develops life skills and improves community cohesion and mutual understanding between diverse local communities.

Finally, PVC continues to receive generous donations from Warburtons to provide our learners with breakfast at break times. We hope that this is the start of a wider partnership with other organisations.

Section E

Financial review

Brief statement of the charity's policy on reserves

2020/21 Financial Review

As of 31st July 2021, PVC's reserves were £95,203. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As the financial position of PVC continues to improve, this will allow PVC to increase its reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

PVC aims to hold cash reserves in the region of £40,000 to £60,000 to allow it to cover its operating costs for two to three months should anticipated income not materialise. The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

Details of any funds materially in deficit

None at present

Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has

In 2020/21 the majority of PVC's income, £325,726 (91.16%) was received from the delivery of construction courses to 14 to 18 year olds. The remainder of the income £31,590 (8.84%) was received from donations and successful bids for grant funding to carry out programmes of work, with funding received from European Structural and Investment Fund (ESIF), and the European Social Fund 'More positive Together' initiative.

- supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

Income from both school and grants was lower than in the previous year as a result of continued disruption from the Covid-19 pandemic which reduced the capacity for learners to attend. Potential risks were identified at an early stage and steps taken to control costs, minimising losses.


Section F Other optional information

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Section G Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Michael Higgins	
Position (eg Secretary, Chair, etc)	Chair	
Date	29 TH April 2022	

**PRESTON
VOCATIONAL
CENTRE**



Building Skills | Building Futures

Annual Report and Financial Statements

Year ended 31st July 2021

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Board of Directors, Executives and Advisors

Board of Trustees

M J Higgins (Chair from 2nd March 2021)
J Bather (Resigned from Board/Chair to 2nd
March 2021)
M Boland
R Wakefield
S Elcomb
C Keeney
T Hart
A Watson

Company Secretary

Craig Garner

Advisors

Independent Auditor

Rushtons
Chartered Accountants and Business Advisers
Shorrock House
1 Faraday Court
Fulwood
Preston
PR2 9NB

Bankers

Barclays Bank PLC
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

Registration Details

Charity Name: Preston Vocational Centre Ltd

Registered Office & Principal Office:

Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.

Charity Registration Number: 1135863

Company Registration Number: 07085396

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31 July 2021 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1 August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of "Building Skills - Building Futures" and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. In order to achieve the mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from any competitors. We are dedicated to bringing those young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level upon where they can build themselves a positive future.

We have a proven track record and a well-established good reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

Trustees' Report (continued)

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal economic and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2020 / 2021

Impact of Covid-19

The outbreak of Covid-19 and the social distancing measures which continued into the 2020/21 financial year presented both operational and financial risks that have been successfully managed. The Centre remained open for learners throughout the year, operating in accordance with government guidelines, but student numbers were reduced due to the restrictions placed on both schools and the Centre. Although a deficit of £15,296 is reported for the year, it is at a level which can be funded from reserves accumulated in previous years and does not affect the future operation of the Centre. Management of the Covid-19 financial risks throughout the year focussed on minimising the deficit through a combination of controlling costs and protecting income.

The approach taken by PVC centred on pragmatism, following the relevant Covid-19 restrictions and the specific guidance issued to the education sector. We retained a clear focus on the health, safety and wellbeing of colleagues and students whilst continuing to deliver quality training and education. A number of adjustments were made at the centre to reconfigure the teaching areas to allow for social distancing and the implementation of enhanced cleaning measures so that learning could continue in safe and secure environment.

The financial and operational impact of the Covid-19 pandemic included reduced schools' income due to fewer learners attending, limited capacity to deliver programmes attracting external funding and increased costs as a result of enhanced cleaning.

Aims and Objectives

2020/21 was the third year of our 2018-21 Business Plan.

Trustees' Report (continued)

Operating Review (continued)

The Business Plan set out our aims and objectives to build upon the success of the Centre, particularly focusing in the following areas.

- **Objective 1: Schools Provision** - *we aim to grow our schools' provision, retaining the mix of school types and ensuring schools remain our primary business.*
- **Objective 2: Funded Programmes** - *we aim to grow our offer to the local community working with partners and funders.*
- **Objective 3: Community Engagement** - *we aim to continue to develop our business, engaging with the local community and delivering social value.*
- **Objective 4: Financial Strength and Governance** – *we aim to ensure that PVC achieves an annual surplus and is a well run organisation.*

Each objective has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2020/21 are summarised below.

- We delivered specialist vocational provision to a total of 184 students from 23 schools across Lancashire of which 106 were from schools that support behaviour, emotional and social difficulties; 40 were from mainstream schools; and 36 were from schools with special educational needs or disabilities.
- Of the 71 school and sixth form leavers in July 2021, 59 (83%) achieved a BTEC level 1 qualification in construction.

Trustees' Report (continued)

Operating Review (continued)

- We delivered specialist vocational provision to a total of 44 non-school students programmes including: -
 - **Post 16 Study Programme** – this programme was delivered through European Structural & Investment Fund (ESIF funding), and has enabled 11 students who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 6 of these achieving a BTEC level 1 qualification in construction.
 - **More Positive Together** - 33 students engaged with the European Social Fund More Positive Together provision which provides employment and skills training.
- Our volunteer and work experience programme has supported 2 adult volunteers to develop their workplace skills. PVC also engaged with 3 University of Central Lancashire (UCLAN) social work students on 70-day placements.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.
- The BTEC qualification offered by the Centre has ceased at the end of the academic year. Its replacement does not meet the needs of the learners who attend PVC and therefore an alternative qualification has been sought. From September 2021, learners attending PVC will work towards achieving the City and Guilds Construction Level 1 which has been approved following consultation with schools, colleges and partners.

Trustees' Report (continued)

Financial Review

A deficit for the year of £15,296 is reported due to a decrease in both core school income and grant income as a result of the disruption caused by the Covid-19 pandemic. The potential risks arising from the pandemic were identified at an early stage and steps were taken to control costs in order to minimise losses which may arise. Despite the deficit, PVC remains in a strong financial position due to reserves accumulated in previous years. A summary of PVC's Statement of Financial Activities for the past three years is shown below.

	2018/19	2019/20	2020/21
	£	£	£
Total Income	421,126	438,375	357,316
Total Expenditure	381,826	382,954	372,612
Surplus/(Deficit)	39,300	55,421	(15,296)

The 2020/21 deficit is principally due to a £81,059 decrease in income, offset by a reduction in costs of £10,342. Schools Income of £325,726, grant income of £26,525 and donations of £5,065 were realised; however due to the Covid-19 pandemic impacting on the capacity of the centre, PVC was unable to meet its 'New Business Target' of £81,674.

In 2020/21 the majority of PVC's income, £325,726 (91.16%) was received from the delivery of construction courses to 14 to 18-year olds. The remainder of the income £31,590 (8.84%) was received from donations and successful bids for grants to carry out programmes of work with funding received from European Structural and Investment Fund (ESIF) and the European Social Fund 'More positive Together' initiative.

The Statement of Financial Position shows fixed assets with value of £14,522, including a portacabin purchased in 2020/21 to increase capacity at the centre facilitating operation in a Covid secure manner.

Looking forward, 2021/22 marks the start of a new 5-year Business Plan. The 2021-26 plan is focussed on Covid-19 recovery and re-establishing previous levels of performance. The impact of Covid-19 on our colleagues, students and communities cannot be underestimated and PVC will continue to face challenges as we adapt to the new environment.

Trustees' Report (continued)

Financial Review (continued)

The 2021-26 Business Plan is centred around 4 key themes:

- Schools Performance – we will build on our positive reputation and grow our existing schools and post 16 programme;
- Student Pathways – we will support each student to achieve their preferred positive destination, providing choice and opportunity for a successful future;
- Funded/Community Programmes – we will continue to deliver upon our social purpose and seek to secure grant funding which complements our work and adds value to our learners and the local community;
- Finance and Governance – we will ensure that PVC strengthens its financial resilience and is a well-run organisation.

In developing the Business Plan, the Board has considered the environmental impact of how PVC operates and also developments in the construction industry which will have an impact of the training provided by the Centre.

The level of ambition within the Business Plan is limited to a degree by the capacity and staffing resources at the Centre. As a result, a number of feasibility studies, including options to relocate and expand the qualifications on offer, will be carried out during years 1 and 2 of the plan. Once complete, the Business Plan may be subject to a review to reflect any new priorities.

Targets for financial and key performance indicators have been set for year 1, including a target surplus of 5% of turnover. Future years targets will be driven by the recovery from the impact of Covid-19 and the results of the feasibility studies. The financial position is reviewed on a frequent basis by the Management Team and regular updates are presented to the Board. Performance is measured against the annual budget, key performance indicators and the business plan. PVCs Risk Register is also regularly reviewed.

Trustees' Report (continued)

Financial Review (continued)

Reserves Policy

As of 31st July 2021, PVC's reserves were £95,203. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As its financial position continues to improve, this will allow PVC to increase its reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

PVC aims to hold cash reserves in the region of £40,000 to £60,000 to allow it to cover its operating costs for two to three months should anticipated income not materialise.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

PVC is also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. PVC concentrates on its young people and therefore does not make any grants to organisations or individuals.

Review of Activities

PVC looks to maximise student numbers wherever possible to achieve its target of a range of income sources.

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- the current challenging financial environment and the potential impact of Educational Reforms from Central Government could have on school budgets in the future;
- the current uncertain economic environment arising from the financial and operational risks from the impact of Covid-19 and Brexit resulting in an increase in costs, a reduction in available resources and a reduction in income;

Trustees' Report (continued)

Risk Analysis (continued)

- the short-term nature of some of the current income streams; the competition from other providers could result in loss of potential new income; and
- risks around Health and Safety, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board. Risk Management Action Plans have been developed identifying actions to mitigate the risks. During 2020/21 an external safeguarding audit was completed in July 2021. The results were positive with no major issues arising. In order to mitigate the financial risks, longer term income streams are being identified and PVC are looking to spread the financial risk over a number of income sources.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Small company provisions

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

Approved by the Board on 14^h December 2021 and signed on its behalf by:

M Higgins - Chair of the Board of Trustees

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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:

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern (continued)

- the trustees' use of 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at 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 trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Opinions on other matters prescribed by the Companies Act 2006 (continued)

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline 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:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector, control environment and business performance;
- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

As a result of performing the above procedures, we did not identify any key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of trustees, in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all of the engagement team, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Calvert ACA (Senior Statutory Auditor)

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrocks House

1 Faraday House

Fulwood, Preston

Lancashire. PR2 9NB

Date:

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2021

	Note	Unrestricted Total Funds 2021 £	Total Funds 2020 £
Incoming and endowments from			
Voluntary income	2	5,065	1,280
Charitable activities	3	<u>352,251</u>	<u>437,095</u>
Total		<u>357,316</u>	<u>438,375</u>
Expenditure on			
Charitable activities	4	350,092	348,811
Grant Expenditure	4	-	1,713
Governance costs	4	<u>22,520</u>	<u>32,430</u>
Total		<u>372,612</u>	<u>382,954</u>
Net movements in funds		(15,296)	55,421
Reconciliation of funds			
Total funds brought forward		<u>110,498</u>	<u>55,077</u>
Total funds carried forward	15	<u><u>95,203</u></u>	<u><u>110,498</u></u>

The notes on pages 19 to 29 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2021

		2021		2020	
	Note	£	£	£	£
Fixed Assets					
Equipment	13		14,522		12,704
Investments	8		<u>1</u>		<u>1</u>
			14,523		12,705
Current assets					
Debtors	9	33,725		25,338	
Cash at bank and in hand		<u>102,514</u>		<u>133,505</u>	
		136,239		158,843	
Creditors: Amounts falling due within one year					
	10	<u>(55,559)</u>		<u>(61,050)</u>	
Net current (liabilities)/assets			<u>80,680</u>		<u>97,793</u>
Net assets			<u>95,203</u>		<u>110,498</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>95,203</u>		<u>110,498</u>
Total charity funds			<u>95,203</u>		<u>110,498</u>

The notes on pages 19 to 29 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 14 December 2021 and were signed on its behalf by:

Chair

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Board also confirm that PVC meets the definition of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS 102. The exemptions applied relate to the cashflow statement and the strategic report.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the Covid-19 pandemic noted throughout these accounts and highlighted as a principal risk and uncertainty.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fixed term of three years; however, they may be reappointed thereafter for a maximum of three times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the boards requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

1 Accounting policies (continued)

Governance (continued)

to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Fixtures & Fittings - 3 years straight-line basis
- Vehicles - 3 years straight-line basis
- Office – 3 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

1 Accounting policies (continued)

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Voluntary income

	Unrestricted Total Funds 2021 £	Total Funds 2020 £
Donations	5,065	1,280
Donation Total	<u>5,065</u>	<u>1,280</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

3 Charitable activities

	Unrestricted Total Funds 2021 £	Total Funds 2020 £
Income		
Grant Income	26,525	55,595
Education and Training	325,726	381,500
	<u>352,251</u>	<u>437,095</u>

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2020 £
Direct costs				
Employment costs	262,957	-	262,957	261,238
Establishment costs	64,620	-	64,620	58,674
Repairs and maintenance	6,483	-	6,483	9,138
Office expenses	9,229	-	9,229	13,393
Printing, posting and stationery	1,530	-	1,530	2,200
Subscriptions	292	-	292	207
Sundry and other cost	292	-	292	494
Cleaning	4,106	-	4,106	2,091
Travel and subsistence	176	-	176	784
Recharge from parent company	-	20,000	20,000	30,000
Audit fees	-	2,520	2,520	2,430
Bank charges	407	-	407	592
	<u>350,092</u>	<u>22,520</u>	<u>372,612</u>	<u>381,241</u>

	Education and training £	Governance £	Total £	2020 £
Grant Expenditure				
Twilight Expenditure	-	-	-	268
Festival of Skills	-	-	-	816
INTACT	-	-	-	629
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,713</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2021	2020
Charitable activities - employee numbers	<u>9</u>	<u>10</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£	£
Wages and salaries	230,886	231,054
National Insurance	20,072	18,208
Other pension costs	<u>11,999</u>	<u>11,976</u>
	<u>262,957</u>	<u>261,238</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2020 and 31 July 2021	1
Net book value As at 31 July 2021	1
	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings Preston Construction Centre Ltd			1	-

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

9 Debtors

	2021	2020
	£	£
Trade debtors	25,402	17,487
Prepayments and accrued income	<u>8,323</u>	<u>7,851</u>
	<u><u>33,725</u></u>	<u><u>25,338</u></u>

10 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	39,878	49,366
Trade creditors	1,095	4,299
Accruals and deferred income	<u>14,586</u>	<u>7,385</u>
	<u><u>55,559</u></u>	<u><u>61,050</u></u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

12 Operating Lease commitments

As at 31 July 2021 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2020/21	2019/20
	£	£
Due within 1 year	19,200	13,388
Due 2 – 5 years	22,400	-
Due 5+ years	-	-
	<u>41,600</u>	<u>13,388</u>
	2020/21	2019/20
	£	£
Operating lease expenditure	<u>18,750</u>	<u>20,588</u>
	<u>18,750</u>	<u>20,588</u>

13 Fixed assets

	Offices	Fixtures & Fittings	Vehicles	Total
Cost				
At 31 August 2020	-	7,500	16,298	23,798
Additions	13,740	-	-	13,740
Disposals	-	-	-	-
At 31 July 2021	<u>13,740</u>	<u>7,500</u>	<u>16,298</u>	<u>37,538</u>
Less: Depreciation				
At 1 August 2020	-	5,208	5,886	11,094
Charge for the period	4,198	2,292	5,432	11,922
At 31 July 2021	<u>4,198</u>	<u>7,500</u>	<u>11,318</u>	<u>23,016</u>
Book Value as at 31 July 2021	<u>9,542</u>	<u>-</u>	<u>4,980</u>	<u>14,522</u>
Book Value as at 31 July 2020	<u>-</u>	<u>2,292</u>	<u>10,412</u>	<u>12,704</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

14 Analysis of funds

	At 1 August 2020	Incoming resources	Resources expended	At 31 July 2021
	£	£	£	£
General funds				
Unrestricted income fund	110,498	357,316	(372,612)	95,203

15 Net assets by fund

	Unrestricted Total Funds 2021	Total Funds 2020
	£	£
Tangible assets	14,522	12,704
Investments	1	1
Current assets	136,447	158,843
Creditors: Amounts falling due within one year	(55,767)	(61,050)
Net assets	<u>95,203</u>	<u>110,498</u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £11,999 (2020 - £11,976).

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2021 (continued)

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Maureen Boland is a member of PVC's board and a Director at Conlon Construction, a company that transacts with PVC.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC.

Related Party Transactions

During 2020/21 the following transactions included in the Financial Statements took place between CGA and PVC:

- Income of £15,464 from CGA to PVC for provision of skills training under the More Positive Together programme
- The year-end Balance Sheet also shows a parent company creditor of £39,878 which represents:
 - payments made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year;
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.

During 2020/21 the following transactions included in the Financial Statements took place between Conlon Construction and PVC:

- Conlon Construction made a donation of £5,000 to PVC.

29 November 2021

Our Ref: PVCA1052/NM/

PRIVATE & CONFIDENTIAL

The Board of Directors
Preston Vocational Centre Ltd
Preston City Council Services Site
St Paul's Road
Preston
Lancashire
PR1 9PX

Dear Sirs

Report to Management

During the course of our audit for the year ended 31 July 2021 there were no matters which we consider should be brought to your attention.

No matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We have complied with the Ethical Standards for Auditors and all threats to our independence, as identified to you, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw your attention to and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the Directors of Preston Vocational Centre Ltd and must not be shown to third parties without our prior consent. No responsibilities are accepted by Rushtons towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the company's staff who assisted us in carrying out our work.

Yours faithfully

A handwritten signature in black ink that reads "Rushtons". The letters are cursive and slightly slanted to the right.

RUSHTONS

PRESTON VOCATIONAL CENTRE LTD

England & Wales - Charity number 1135863

Accounts



Trustees' Annual Report for the period

From	Period start date			To	Period end date		
	Day 1	Month Aug	Year 2019		Day 31	Month July	Year 2020

Section A Reference and administration details

Charity name Preston Vocational Centre

Other names charity is known by PVC

Registered charity number (if any) 1135863

Charity's principal address St Paul's Road

Preston

Postcode

PR1 1PX

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Gillian Beeley			Preston Vocational Centre
2	Julie Bather	Chair		Preston Vocational Centre
3	Rob Wakefield			Community Gateway Association
4	Maureen Boland			Preston Vocational Centre
5	Geoff Kershaw		Resigned on 8 October 2019	Preston Vocational Centre
6	Sian Elcomb			Preston Vocational Centre
7	Michael Higgins	Vice Chair		Preston Vocational Centre
8	Chris Keeney		From 10 December 2019	Preston Vocational Centre
9	Trevor Hart		From 10 December 2019	Preston Vocational Centre
10	Amanda Watson		From 10 December 2019	Preston Vocational Centre
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

Claire Smith – Executive Lead for PVC & Head of Culture and Engagement at Community Gateway Association (Parent)

Craig Garner – PVC Company Secretary

Martin Grayston - PVC Centre Manager

Section B Structure, governance and management

Description of the charity's trusts

Type of governing document (eg. trust deed, constitution)	Memorandum and Articles of Association
How the charity is constituted (eg. trust, association, company)	Company Limited by Guarantee
Trustee selection methods (eg. appointed by, elected by)	Appointed by the PVC Board in line with Group Policies

Additional governance issues (Optional information)

You **may choose** to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity's organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees' consideration of major risks and the system and procedures to manage them.

PVC was established in February 2009 and became a charity in May 2010. On 1st August 2013, PVC became a subsidiary of Community Gateway Association Ltd (CGA) and an intra group agreement was signed. The intra group agreement was last reviewed and approved by the Parent and Subsidiary Boards in February 2020.

PVC delivers construction based vocational training and has become highly regarded amongst partners and stakeholders as a specialist construction training facility. PVC has a trading subsidiary, Preston Construction Centre Limited. The company is currently dormant.

The Charity draws its Trustees from both the public and private sector, including specialist skills from the education sector. The PVC Board is continually developing using a system of annual collective and individual appraisals that enable the Board to recognise both the strengths and any skill gaps that may need addressing. An induction programme is provided for new Trustees and ongoing training is delivered via a range of methods including Planning Days and attendance at external conferences and seminars. Succession plans for future Trustee recruitment are in place to ensure PVC maintains the required knowledge, skills and experience.

PVC has a risk management framework in place and the risk register is regularly reviewed by the Management Team, PVC's Board and the Risk Review Group of the parent, Community Gateway Association. A significant risk during 2019/20 has been the Covid-19 pandemic and further information on the impact of this risk is provided in sections D and E below.

PVC has adopted the Charity Governance Code and undertakes an

annual assessment of compliance. Any areas of improvement identified are included in a governance action plan and the Board monitor implementation of the action plan throughout the year.

Section C

Objectives and activities

Summary of the objects of the charity set out in its governing document

To advance the education of children, young people and adults, especially those living within the Preston area, in particular through provision of vocational training, supporting their personal development, and equipping them for further education, employment and training.

PVC provides vocational training opportunities in a wide range of construction skills which include; Brickwork, Plastering, Painting & Decorating, Carpentry, Joinery, and Building Maintenance for young people and adults from around Preston and the surrounding Districts. Alongside the vocational training, we provide pastoral wrap around support to create a positive, inclusive and supportive environment.

We operate under three key themes which are:

- Pre 16
- Post 16 Not in Employment, Education, or Training (NEET)
- Adults

VISION STATEMENT

Building Skills – Building Futures

MISSION STATEMENT

To deliver the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future.

VALUES

We developed a suite of values in partnership with our learners, to set out the expectations of everyone and our commitment to how we will do things. Our six values are:

Inclusive – We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.

Passionate – We are passionate in our approach to inspire learning and celebrate success.

Respectful – We encourage and promote positive responses towards people, our activities and most importantly ourselves.

Integrity – We unconditionally promote being open, honest and transparent in all that we do.

Empowering – Through training and support we enable people to realise their full potential and improve their futures.

Quality – We have a commitment to exceed expectations in everything we do.

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)

Many of PVC's learners come from a range of providers and include Key Stage 4, 14 to 16 year old pupils from mainstream education, those who are SEND (Special Educational Needs & Disability), as well as post 16 year old pupils. Many of our post 16 learners are often disaffected or disengaged and need a transition to work programme.

PVC is able to deliver its mission through the continuing development of existing and new partnerships which foster true collaborative working. These include local high schools, Pupil Referral Units, Special Educational Needs and Disabilities (SEND) schools, Youth Offending Team, Child Action North West (CANW) Lancashire Constabulary's Early Action Team, Lancashire Care NHS Foundation Trust, Lancashire Children's Social Care, Lancashire Probationary Service, and local Community organisations.

PVC has also received grant funding from the Office of the Police & Crime Commissioner for Lancashire and received sponsorships for the Annual Awards Evening from: Conlon Construction, Travis Perkins, Community Gateway, JFN Integrated Solutions and SIKA Ltd.

Furthermore, PVC's has Specialist Partner status to deliver NEET Provision to 16–24 year olds and funding for this programme has now been extended to March 2023.

It is our aim to support anyone who requires the type of learning which we provide, and our experience to date has shown we can work with a range of providers with a diverse learner population.

Additional details of objectives and activities (Optional information)

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

We do not make grants to organisations or individuals.

Any surpluses are re-invested back into the business for its further development and to build up adequate reserves in line with the business plan, in order to enable PVC to invest in future growth.

We are supported by a small number of volunteers, who provide valuable skills, resource and in particular are positive role models for our young people.

Summary of the main achievements of the charity during the year

Preston Vocational Centre has a growing reputation through the work we deliver with partner schools in Preston and the surrounding districts.

A key challenge during 2019/20 has been the impact of the Covid-19 pandemic in the second half of PVC's financial year. This necessitated the Centre having to temporarily close for a period during the first national lockdown. The Centre put in place a range of new delivery measures to ensure staff and student safety with the Centre re-opening alongside mainstream schools from 1st June 2020.

Despite the lockdown restrictions, PVC delivered specialist vocational provision to a total of 301 beneficiaries in 2019/20, including 189 learners from 23 high schools across Lancashire. This resulted in 58 learners achieving a BTEC qualification in Construction. In addition, 10 learners attended our Post 16 provision with a further 102 adult beneficiaries attending the Centre through various grant funded projects.

The qualifications delivered included the BTEC Award, BTEC Level 1 Certificate, and BTEC Extended Certificate. There are a small number of learners who attended our Building Skills Schools programme who are on a two year programme and will aim to complete their qualification's during 2020/21 academic year.

Training programmes are also offered for those learners with Special Educational Needs and Disabilities (SEND), often with behavioural or medical needs, with a need for specialist training provision at higher teacher to pupil ratios.

PVC's grant funded projects include:-

- Post 16 Pre-apprenticeship programme provides targeted provision for 16-18 NEET's in partnership with the Lancashire Employment & Skills Executive Partnership (LESEP) and is funded through the European Social Fund.
- More Positive Together is delivered in partnership with Active Lancashire and aims to engage and support individuals who are unemployed or economically inactive, who may have multiple social, emotional and economic barriers. We deliver construction workshops in decorating, plumbing, general maintenance, brickwork, joinery, painting, clay modelling and plastering. This project is funded through the European Structural & Investment Fund programme.
- The Lancashire Office of Police and Crime Commissioner funded a Twilight provision, aimed at young people, who are at risk of becoming involved in Serious and Organised Crime, or vulnerable to engagement exploitation by organised crime groups.

Other notable highlights were:

- 90% of 2020 school learners and post 16 are now in education or employment opportunities

PVC have also had recognition this year by receiving the award below:

- Winners of the Lancashire Red Rose Not-for-Profit Business Award 2020

Section D

Achievements and performance

PVC continued to widen their geographical footprint across Lancashire with the development of new partnerships with schools. PVC also supported grassroots organisations by continuing to deliver a number of projects, which benefit the local community while enabling learners to gain real life work experience. For example, PVC has supported a local community centre and PVC's parent organisation (Community Gateway Association) with food deliveries for vulnerable people and those suffering financial hardship during the pandemic lockdown restrictions.

Furthermore, by building social resilience within those beneficiaries who engage with our projects we have established healthy relationships fostered through mentoring support, which in turn develops life skills and improves community cohesion and mutual understanding between diverse local communities.

Finally, we have been able to continue generous donations from Warburtons to provide our learners with breakfast at break times. We hope that this is the start of a wider partnership with other organisations.

Section E

Financial review

Brief statement of the charity's policy on reserves

2019/20 Financial Review

As of 31st July 2020, PVC's reserves were £110,498. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As the financial position of PVC continues to improve, this will allow PVC to increase its reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

PVC aims to hold cash reserves in the region of £40,000 to £60,000 to allow it to cover its operating costs for two to three months should anticipated income not materialise. The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

Details of any funds materially in deficit

None at present

Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

In 2019/20 the majority of PVC's income, £381,500 (87.28%) was received from the delivery of construction courses to 14 to 18 year olds. The remainder of the income £55,595 (12.72%) was received from successful bids for grant funding to carry out programmes of work with funding received from European Structural and Investment Fund (ESIF), the Police and Crime Commissioners' Twilight Programme and the European Social Fund 'More positive Together' initiative.

PVC continues to operate in a challenging environment due to risks around funding streams and the Covid-19 pandemic. Despite the Centre having to close for a period as schools were unable to send learners due to the lockdown restriction, the majority of schools continued to make payments to PVC which is testament to the strength of the Centre's relationship with its partners. The Business Plan for 2018-21 has been reviewed and reaffirms the objective of retaining and growing the primary

business of schools provision; whilst developing business within the local community through grant funding and delivering social value.

The Business Plan target for 2020/21 is to achieve a breakeven position given the unprecedented circumstances in which PVC is currently operating arising from the impact of Covid-19. The financial position is reviewed on a monthly basis by the Management Team and quarterly updates are presented to the Board.


Section F Other optional information

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Section G Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Michael Higgins	
Position (eg Secretary, Chair, etc)	Chair	
Date	19/05/2021	

PRESTON VOCATIONAL CENTRE



Building Skills | Building Futures

Annual Report and Financial Statements

Year ended 31st July 2020

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Board of Directors, Executives and Advisors

<p>Board of Trustees J M Bather – Chair G Beeley (resigned 29th June 2020) M Boland G Kershaw (Resigned 15th October 2019) R Wakefield S Elcomb M J Higgins Chris Keeney (appointed 10th December 2019) Trevor Hart (appointed 10th December 2019) Amanda Watson (appointed 8th February 2020)</p> <p>Company Secretary Craig Garner</p>	<p>Advisors Independent Auditor Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB</p> <p>Bankers Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF</p>
<p>Registration Details</p> <p>Charity Name: Preston Vocational Centre Ltd</p> <p>Registered Office & Principal Office: Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.</p> <p>Charity Registration Number: 1135863</p> <p>Company Registration Number: 07085396</p>	

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31st July 2020 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1st August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of "Building Skills - Building Futures" and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. To achieve our mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from other providers. We are dedicated to helping young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level where they can build themselves a positive future.

We have a proven track record and a well-established reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

Trustees' Report (continued)

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2019 / 2020

2019/20 was the second year of our three-year Business Plan to 31st July 2021. The Business Plan set out our aims and objectives to build upon the success of the Centre, particularly focusing in the following areas.

- **Objective 1: Schools Provision** - we aim to grow our schools' provision, retaining the mix of school types and ensuring schools remain our primary business.
- **Objective 2: Funded Programmes** - we aim to grow our offer to the local community working with partners and funders.
- **Objective 3: Community Engagement** - we aim to continue to develop our business, engaging with the local community and delivering social value.
- **Objective 4: Financial Strength and Governance** – we aim to ensure that PVC achieves an annual surplus and is a well run organisation.

Each objective has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2019/20 are summarised below.

- We delivered specialist vocational provision to a total of 189 school beneficiaries from 23 schools across Lancashire of which 112 were from schools that support behaviour, emotional and social difficulties; 37 were from mainstream schools; and 40 were from schools with special educational needs or disabilities.
- Of the 88 school and sixth form leavers in July 2020, 58 (66%) achieved a BTEC level 1 qualification in construction. The remaining 30 leavers were either not enrolled onto a qualification 29 (33%) or did not achieve their qualification 1 (1%)

Trustees' Report (continued)

Operating Review (continued)

- We delivered specialist vocational provision to a total of 166 non-school beneficiaries on programmes including: -
 - **'Twilight' Programme** - We delivered, to 25 participants, the Police and Crime Commissioners' Twilight programme which aims to reduce the involvement of young people in serious violence and criminal exploitation. 7 of these participants achieved a Construction Skills Certification Scheme (CSCS) Card and Health and Safety (H&S) qualification and 12 participants attended the practical skills sessions.
 - **Our Community Support Programme** - enabled 36 beneficiaries from local community groups to attend PVC. 11 participants attended some practical skills sessions, 14 participants attended skills assessments and 11 participants attended taster sessions in construction.
 - **Post 16 Study Programme** – this programme was delivered through European Structural & Investment Fund (ESIF funding), and has enabled 10 beneficiaries who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 7 of these beneficiaries achieving a BTEC level 1 qualification in construction.
 - **More Positive Together** - 37 beneficiaries engaged with the European Social Fund More Positive Together provision which provides employment and skills training.
- Our volunteer and work experience programme has supported 1 adult volunteer and 1 young person on placement to develop their workplace skills. PVC also engaged with 3 University of Central Lancashire (UCLAN) social work students on 70-day placements.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.

Trustees' Report (continued)

Impact of Covid-19

The outbreak of the Covid-19 pandemic and the lockdown measures announced on 23 March 2020, presented operational and financial risks that have to date been successfully managed. PVC closed the centre to students on 24 March 2020 and during the period of closure plans were made as to how the centre could reopen once the restrictions were eased. As a result, the centre re-opened on 29 June 2020 and operates within the social distancing guidelines issued by the Government.

An assessment of the impact of the financial risks of Covid-19 such as a reduction in income combined with a one-off increase in costs was carried out. For 2019/20, successful discussions were held with schools to protect the contracted income for the period the centre was closed. PVC's reserves also provided some financial resilience to accommodate any one-off increase in costs.

Longer term, the assessment demonstrated that without additional teaching space the centre would suffer a 20% reduction in income, whilst social distancing measures remained in place. Options to increase teaching space were explored to allow PVC to maintain student numbers, whilst complying with the requirements of social distancing. As a result, a portacabin, converted into a classroom, was purchased to provide increased capacity to operate at pre Covid-19 student numbers, thereby maintaining income. It was also felt that existing reserves would allow PVC time to manage costs down in a controlled way should income be significantly reduced.

Given the financial risks around the Covid-19 pandemic and the unprecedented circumstances in which PVC is currently operating in next year's Business Plan target surplus (£20k) was reduced to a break-even position as part of the 2020/21 financial planning process.

Financial Review

PVC achieved a surplus for the year of £55,421 comfortably exceeding its target of £15,000 due to an increase in core school income combined with tight control of costs. This was achieved despite the potential risks around Covid-19 which to date have been successfully managed and places PVC in a strong financial position to manage future financial risks arising from the pandemic. A summary of PVC's Statement of Financial Activities for the past three years is shown below.

Trustees' Report (continued)

	2017/18	2018/19	2019/20
	£	£	£
Total Income	338,970	421,126	438,375
Total Expenditure	327,168	381,826	382,954
Surplus	11,802	39,300	55,421

The 2019/20 surplus of £55,421 shows an improvement of £43,619 over the three-year period. This is principally due to a £99,405 (29%) increase in income, (due to the continued strength and growth of core school income [£84,586] , an increase in grant income [£18,539] offset by a slight reduction in donations [£3,720]) and a 17% increase in costs to deliver the additional study programmes [£55,786].

In 2019/20 the majority of PVC's income, £381,500 (87.28%) was received from the delivery of construction courses to 14 to 18-year olds. The remainder of the income £55,595 (12.72%) was received from successful bids for grant income to carry out programmes of work with funding received from European Structural and Investment Fund (ESIF), the Police and Crime Commissioners' Twilight Programme and the European Social Fund 'More positive Together' initiative.

The Statement of Financial Position shows fixed assets with value of £12,706, including a vehicle to support PVC's service provision which was purchased at the end of the last financial year.

Looking forward, the updated 2018-21 Business Plan reaffirms the objective of retaining and growing the primary business of schools' provision whilst developing opportunities for the local community through grant funding and delivering social value. As indicated above given the financial risks arising from Covid-19 the target surplus for 2020/21 has been reduced from £20,000 to a break-even position.

The financial position is reviewed on a frequent basis by the Management Team and regular updates are presented to the Board.

Trustees' Report (continued)

Reserves Policy

As of 31 July 2020, PVC's reserves were £110,498. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As its financial position continues to improve, this will allow PVC to increase its reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

PVC aims to hold cash reserves in the region of £40,000 to £60,000 to allow it to cover its operating costs for two to three months should anticipated income not materialise.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

PVC is also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. PVC concentrates on its young people and therefore does not make any grants to organisations or individuals.

Review of Activities

PVC looks to maximise student numbers wherever possible to achieve its target of a range of income sources. During the financial year its targets were achieved as indicated in the Operating and Financial review.

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- financial and operational risks arising from Covid-19
- the current challenging financial environment in which PVC operates and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.
- the short-term nature of some of the current income streams; the competition from other providers could result in loss of potential new income.

Trustees' Report (continued)

Risk Analysis (continued)

- the potential impact of Brexit, which could lead to the risk of financial, political, and social instability and uncertainty resulting in an increase in costs and reduced income.
- the non-compliance with the Charities Corporate Governance code of practice; and
- risks around Health and Safety, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board on a regular basis. Risk Management Action Plans have been developed identifying actions to mitigate the risks. To mitigate the financial risks, longer term income streams are being identified and PVC are looking to spread the financial risk over several income sources. In addition, the marketing strategy continues to be developed to promote the success of PVC and to attract additional new income streams.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Small company provisions

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

Approved by the Board on 15 December 2020 and signed on its behalf by:


.....
M J Higgins - Trustee

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern (continued)

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at 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 trustees' annual report¹, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and;
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Calvert ACA (Senior Statutory Auditor)

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrock House

1 Faraday House

Fulwood

Preston

Lancashire

PR2 9NB

Date.....

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2020

	Note	Unrestricted Total Funds 2020 £	Total Funds 2019 £
Incoming and endowments from			
Voluntary income	2	1,280	20,049
Charitable activities	3	<u>437,095</u>	<u>401,077</u>
Total		<u>438,375</u>	<u>421,126</u>
Expenditure on			
Charitable activities	4	348,811	347,405
Grant Expenditure	4	1,713	1,031
Governance costs	4	<u>32,430</u>	<u>33,390</u>
Total		<u>382,954</u>	<u>381,826</u>
Net movements in funds		55,421	39,300
Reconciliation of funds			
Total funds brought forward		<u>55,077</u>	<u>15,777</u>
Total funds carried forward	15	<u>110,498</u>	<u>55,077</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2020

		2020		2019	
	Note	£	£	£	£
Fixed Assets					
Equipment	13		12,704		20,637
Investments	8		<u>1</u>		<u>1</u>
			12,705		20,638
Current assets					
Debtors	9	25,338		7,793	
Cash at bank and in hand		<u>133,505</u>		<u>67,978</u>	
		158,843		75,771	
Creditors: Amounts falling due within one year	10	<u>(61,050)</u>		<u>(41,332)</u>	
Net current (liabilities)/assets			<u>97,793</u>		<u>34,439</u>
Net assets			<u>110,498</u>		<u>55,077</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>110,498</u>		<u>55,077</u>
Total charity funds			<u>110,498</u>		<u>55,077</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 15th December 2020 and were signed on its behalf by:-

M J Higgins - Trustee

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Board also confirm that PVC meets the definition of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS 102. The exemptions applied relate to the cashflow statement and the strategic report.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the Covid-19 pandemic noted throughout these accounts and highlighted as a principal risk and uncertainty.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fixed term of three years, however they may be reappointed thereafter for a maximum of three times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the boards requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

1 Accounting policies (continued)

Governance (continued)

directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Fixtures & Fittings - 3 years straight-line basis
- Vehicles - 3 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

1 Accounting policies (continued)

Investments (continued)

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Voluntary income

	Unrestricted Total Funds 2020 £	Total Funds 2019 £
Donation	1,280	5,000
Festival of Skills Donations	-	15,049
Donation Total	<u>1,280</u>	<u>20,049</u>

3 Charitable activities

	Unrestricted Total Funds 2020 £	Total Funds 2019 £
Income		
Grant Income	55,595	36,537
Education and Training	<u>381,500</u>	<u>364,540</u>
	<u>437,095</u>	<u>401,077</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2019 £
Direct costs				
Employment costs	261,238	-	261,238	263,721
Establishment costs	58,674	-	58,674	55,162
Repairs and maintenance	9,138	-	9,138	14,870
Office expenses	13,393	-	13,393	7,665
Printing, posting and stationery	2,200	-	2,200	3,303
Subscriptions	207	-	207	284
Sundry and other cost	494	-	494	123
Cleaning	2,091	-	2,091	1,182
Travel and subsistence	784	-	784	764
Recharge from parent company	-	30,000	30,000	30,000
Audit fees	-	2,430	2,430	3,390
Bank charges	592	-	592	330
	<u>348,811</u>	<u>32,430</u>	<u>381,241</u>	<u>380,794</u>

	Education and training £	Governance £	Total £	2019 £
Grant Expenditure				
Heritage Lottery Grant	-	-	-	-
UCLAN Grant Expenditure	-	-	-	-
Twilight Expenditure	268	-	268	772
Festival of Skills	816	-	816	34
INTACT	629	-	629	225
Other	-	-	-	-
	<u>1,713</u>	<u>-</u>	<u>1,713</u>	<u>1,031</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2020	2019
Charitable activities - employee numbers	<u>10</u>	<u>12</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£	£
Wages and salaries	231,054	235,951
National Insurance	18,208	17,479
Other pension costs	<u>11,976</u>	<u>10,291</u>
	<u>261,238</u>	<u>263,721</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2019 and 31 July 2020	<u>1</u>
Net book value As at 31 July 2020	<u>1</u>
	<u><u>1</u></u>

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings			<u>1</u>	<u>-</u>
Preston Construction Centre Ltd				

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

9 Debtors

	2020	2019
	£	£
Trade debtors	17,487	4,643
Prepayments and accrued income	<u>7,851</u>	<u>3,150</u>
	<u><u>25,338</u></u>	<u><u>7,793</u></u>

10 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	49,366	25,711
Trade creditors	4,299	1,541
Accruals and deferred income	<u>7,385</u>	<u>14,080</u>
	<u><u>61,050</u></u>	<u><u>41,332</u></u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

12 Operating Lease commitments

As at 31 July 2020 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2019/20	2018/19
	£	£
Due within 1 year	13,388	20,588
Due 2 – 5 years	-	13,387
Due 5+ years	-	-
	<u>13,388</u>	<u>33,975</u>
	2019/20	2018/19
	£	£
Operating lease expenditure	<u>20,588</u>	<u>15,750</u>
	<u>20,588</u>	<u>15,750</u>

13 Fixed assets

	Fixtures & Fittings	Vehicles	Total
	£	£	£
Cost			
At 1 August 2019	7,500	16,298	23,798
Additions	-	-	-
Disposals	-	-	-
At 31 July 2020	<u>7,500</u>	<u>16,298</u>	<u>23,798</u>
Less: Depreciation			
At 1 August 2019	2,708	453	3,161
Charge for the period	2,500	5,433	7,933
Eliminated in respect of disposals	-	-	-
At 31 July 2020	<u>5,208</u>	<u>5,886</u>	<u>11,094</u>
Book Value as at 31 July 2020	<u>2,292</u>	<u>10,412</u>	<u>12,704</u>
Book Value as at 31 July 2019	<u>4,792</u>	<u>15,845</u>	<u>20,637</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

14 Analysis of funds

	At 1 August 2019	Incoming resources	Resources expended	At 31 July 2020
	£	£	£	£
General funds				
Unrestricted income fund	55,077	438,375	(382,954)	110,498

15 Net assets by fund

	Unrestricted Total Funds 2020	Total Funds 2019
	£	£
Tangible assets	12,704	20,637
Investments	1	1
Current assets	158,843	75,771
Creditors: Amounts falling due within one year	<u>(61,050)</u>	<u>(41,332)</u>
Net assets	<u>110,498</u>	<u>55,077</u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £11,976 (2019 - £10,291).

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Maureen Boland is a member of PVC's board and a Director at Conlon Construction, a company that transacts with PVC.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC.

Related Party Transactions

During 2019/20 the following transactions included in the Financial Statements took place between CGA and PVC:-

- Income of £9,899 from CGA to PVC for provision of skills training under the More Positive Together programme
- The year-end Balance Sheet also shows a parent company creditor of £49,366 which represents:
 - payments made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year;
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.

During 2019/20 the following transactions included in the Financial Statements took place between Conlon Construction and PVC: -

- Conlon Construction made a donation of £200 to PVC.

PRESTON VOCATIONAL CENTRE



Building Skills | Building Futures

Annual Report and Financial Statements

Year ended 31st July 2020

Company Registration Number: 07085396
Charity Registration Number: 1135863

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Balance Sheet	17
Notes to the Financial Statements	18-28

Board of Directors, Executives and Advisors

<p>Board of Trustees J M Bather – Chair G Beeley (resigned 29th June 2020) M Boland G Kershaw (Resigned 15th October 2019) R Wakefield S Elcomb M J Higgins Chris Keeney (appointed 10th December 2019) Trevor Hart (appointed 10th December 2019) Amanda Watson (appointed 8th February 2020)</p> <p>Company Secretary Craig Garner</p>	<p>Advisors Independent Auditor Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB</p> <p>Bankers Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF</p>
<p>Registration Details</p> <p>Charity Name: Preston Vocational Centre Ltd</p> <p>Registered Office & Principal Office: Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.</p> <p>Charity Registration Number: 1135863</p> <p>Company Registration Number: 07085396</p>	

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31st July 2020 and confirm they comply with the requirements of the Charities Act 2011, and 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).

Structure Governance and Management

PVC (Company No. 07085396) was established in February 2009. PVC converted to a charity in May 2010 and became a subsidiary of Community Gateway Association Ltd (CGA) (Company No. IP29838R) following the signing of an intra-group agreement on 1st August 2013.

The Charity draws its trustees from both the public and private sector, including specialist skills from the education sector.

Following best practice governance principles, the PVC Board has a range of knowledge, skills, and expertise, including commercial and educational experience. The PVC Board is continually developed using a system of collective and individual appraisals performed annually. This enables PVC to assess both the strengths and skill gaps so appropriate training can be provided. This process also allows for succession planning to the Board which aims to further strengthen governance.

PVC has a trading subsidiary, Preston Construction Centre Limited, which is currently dormant.

PVC's main focus is on establishing a centre of excellence in construction trades and being regarded as a construction specialist training facility in Preston. The principal objective of PVC is to advance the education of children, young people and adults, especially those living within the Preston area. This will be through the provision of vocational training, supporting their personal development and equipping them for further education, employment and training.

PVC is an inclusive learning environment which aims to provide all young people with suitable skills and qualifications to allow them to progress in their future adult working lives.

Trustees' Report (continued)

The Centre operates under the strap line of "Building Skills - Building Futures" and delivers its activities under three thematic areas which are:

- Pre 16 years old
- Post 16 years old
- Adult learners

Our Mission / Values

PVC is committed to delivering the highest quality construction based vocational training and support to enable young people and adults to gain skills, qualifications and confidence to enhance their potential and build a positive future. To achieve our mission, we strive to live the following values:

- Inclusive - We embrace the differences that come from a wide range of backgrounds. We ensure everyone has the opportunity to learn and grow.
- Passionate - We are passionate in our approach to inspire learning and celebrate success.
- Respectful - We encourage and promote positive responses towards people, our activities and most importantly ourselves.
- Integrity - We unconditionally promote being open, honest and transparent in all that we do.
- Empowering - Through training and support we enable people to realise their full potential and improve their futures.
- Quality - We have a commitment to exceed expectations in everything we do.

Our Commitment

We strive to be the first choice for schools, learners and other stakeholders who require vocational training provision leading to a progressive and recognised learning route to continue to the world of work. We continually set high standards and go the extra mile to set us apart from other providers. We are dedicated to helping young people at risk of not entering training, employment or education and equipping them with the confidence and skills to move forward. We work with all our learners to achieve a recognised qualification and where this is not appropriate, get them to a level where they can build themselves a positive future.

We have a proven track record and a well-established reputation for being committed to providing construction vocational training in painting and decorating; joinery and carpentry; building maintenance; brickwork; and plumbing and plastering.

Trustees' Report (continued)

We provide high quality pastoral support to young people, adults and communities of Lancashire. We offer accredited and non-accredited learning and development opportunities that supports positive steps towards achieving personal and social potential within an inclusive learning environment that is focused on the needs of participants.

Operating Review 2019 / 2020

2019/20 was the second year of our three-year Business Plan to 31st July 2021. The Business Plan set out our aims and objectives to build upon the success of the Centre, particularly focusing in the following areas.

- **Objective 1: Schools Provision** - we aim to grow our schools' provision, retaining the mix of school types and ensuring schools remain our primary business.
- **Objective 2: Funded Programmes** - we aim to grow our offer to the local community working with partners and funders.
- **Objective 3: Community Engagement** - we aim to continue to develop our business, engaging with the local community and delivering social value.
- **Objective 4: Financial Strength and Governance** – we aim to ensure that PVC achieves an annual surplus and is a well run organisation.

Each objective has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2019/20 are summarised below.

- We delivered specialist vocational provision to a total of 189 school beneficiaries from 23 schools across Lancashire of which 112 were from schools that support behaviour, emotional and social difficulties; 37 were from mainstream schools; and 40 were from schools with special educational needs or disabilities.
- Of the 88 school and sixth form leavers in July 2020, 58 (66%) achieved a BTEC level 1 qualification in construction. The remaining 30 leavers were either not enrolled onto a qualification 29 (33%) or did not achieve their qualification 1 (1%)

Trustees' Report (continued)

Operating Review (continued)

- We delivered specialist vocational provision to a total of 166 non-school beneficiaries on programmes including: -
 - **'Twilight' Programme** - We delivered, to 25 participants, the Police and Crime Commissioners' Twilight programme which aims to reduce the involvement of young people in serious violence and criminal exploitation. 7 of these participants achieved a Construction Skills Certification Scheme (CSCS) Card and Health and Safety (H&S) qualification and 12 participants attended the practical skills sessions.
 - **Our Community Support Programme** - enabled 36 beneficiaries from local community groups to attend PVC. 11 participants attended some practical skills sessions, 14 participants attended skills assessments and 11 participants attended taster sessions in construction.
 - **Post 16 Study Programme** – this programme was delivered through European Structural & Investment Fund (ESIF funding), and has enabled 10 beneficiaries who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 7 of these beneficiaries achieving a BTEC level 1 qualification in construction.
 - **More Positive Together** - 37 beneficiaries engaged with the European Social Fund More Positive Together provision which provides employment and skills training.
- Our volunteer and work experience programme has supported 1 adult volunteer and 1 young person on placement to develop their workplace skills. PVC also engaged with 3 University of Central Lancashire (UCLAN) social work students on 70-day placements.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.

Trustees' Report (continued)

Impact of Covid-19

The outbreak of the Covid-19 pandemic and the lockdown measures announced on 23 March 2020, presented operational and financial risks that have to date been successfully managed. PVC closed the centre to students on 24 March 2020 and during the period of closure plans were made as to how the centre could reopen once the restrictions were eased. As a result, the centre re-opened on 29 June 2020 and operates within the social distancing guidelines issued by the Government.

An assessment of the impact of the financial risks of Covid-19 such as a reduction in income combined with a one-off increase in costs was carried out. For 2019/20, successful discussions were held with schools to protect the contracted income for the period the centre was closed. PVC's reserves also provided some financial resilience to accommodate any one-off increase in costs.

Longer term, the assessment demonstrated that without additional teaching space the centre would suffer a 20% reduction in income, whilst social distancing measures remained in place. Options to increase teaching space were explored to allow PVC to maintain student numbers, whilst complying with the requirements of social distancing. As a result, a portacabin, converted into a classroom, was purchased to provide increased capacity to operate at pre Covid-19 student numbers, thereby maintaining income. It was also felt that existing reserves would allow PVC time to manage costs down in a controlled way should income be significantly reduced.

Given the financial risks around the Covid-19 pandemic and the unprecedented circumstances in which PVC is currently operating in next year's Business Plan target surplus (£20k) was reduced to a break-even position as part of the 2020/21 financial planning process.

Financial Review

PVC achieved a surplus for the year of £55,421 comfortably exceeding its target of £15,000 due to an increase in core school income combined with tight control of costs. This was achieved despite the potential risks around Covid-19 which to date have been successfully managed and places PVC in a strong financial position to manage future financial risks arising from the pandemic. A summary of PVC's Statement of Financial Activities for the past three years is shown below.

Trustees' Report (continued)

	2017/18	2018/19	2019/20
	£	£	£
Total Income	338,970	421,126	438,375
Total Expenditure	327,168	381,826	382,954
Surplus	11,802	39,300	55,421

The 2019/20 surplus of £55,421 shows an improvement of £43,619 over the three-year period. This is principally due to a £99,405 (29%) increase in income, (due to the continued strength and growth of core school income [£84,586] , an increase in grant income [£18,539] offset by a slight reduction in donations [£3,720]) and a 17% increase in costs to deliver the additional study programmes [£55,786].

In 2019/20 the majority of PVC's income, £381,500 (87.28%) was received from the delivery of construction courses to 14 to 18-year olds. The remainder of the income £55,595 (12.72%) was received from successful bids for grant income to carry out programmes of work with funding received from European Structural and Investment Fund (ESIF), the Police and Crime Commissioners' Twilight Programme and the European Social Fund 'More positive Together' initiative.

The Statement of Financial Position shows fixed assets with value of £12,706, including a vehicle to support PVC's service provision which was purchased at the end of the last financial year.

Looking forward, the updated 2018-21 Business Plan reaffirms the objective of retaining and growing the primary business of schools' provision whilst developing opportunities for the local community through grant funding and delivering social value. As indicated above given the financial risks arising from Covid-19 the target surplus for 2020/21 has been reduced from £20,000 to a break-even position.

The financial position is reviewed on a frequent basis by the Management Team and regular updates are presented to the Board.

Trustees' Report (continued)

Reserves Policy

As of 31 July 2020, PVC's reserves were £110,498. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As its financial position continues to improve, this will allow PVC to increase its reserves and assist the company's growth.

The Trustees will continue to monitor fund values to ensure the timely use of donations in accordance with donors' wishes.

PVC aims to hold cash reserves in the region of £40,000 to £60,000 to allow it to cover its operating costs for two to three months should anticipated income not materialise.

The Trustees' Reserves Policy is to monitor reserve levels on an ongoing basis in light of charitable spending and the level of charitable giving to PVC.

PVC is also supported by volunteer trainers who provide valuable skills and are positive role models for its young people. PVC concentrates on its young people and therefore does not make any grants to organisations or individuals.

Review of Activities

PVC looks to maximise student numbers wherever possible to achieve its target of a range of income sources. During the financial year its targets were achieved as indicated in the Operating and Financial review.

Risk Analysis

A number of risks have been and continue to be actively considered by the Board. These risks include:

- financial and operational risks arising from Covid-19
- the current challenging financial environment in which PVC operates and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.
- the short-term nature of some of the current income streams; the competition from other providers could result in loss of potential new income.

Trustees' Report (continued)

Risk Analysis (continued)

- the potential impact of Brexit, which could lead to the risk of financial, political, and social instability and uncertainty resulting in an increase in costs and reduced income.
- the non-compliance with the Charities Corporate Governance code of practice; and
- risks around Health and Safety, Data Protection, and Safeguarding.

The risks identified and new risks that arise during the year are monitored, reviewed and updated where necessary by the Management Team and Board on a regular basis. Risk Management Action Plans have been developed identifying actions to mitigate the risks. To mitigate the financial risks, longer term income streams are being identified and PVC are looking to spread the financial risk over several income sources. In addition, the marketing strategy continues to be developed to promote the success of PVC and to attract additional new income streams.

Public Benefit

The trustees confirm that PVC has paid due regard to the Charity guidance on public benefit reporting in deciding what activities the charity should undertake.

This Annual Report explains the charity's work during the year and how it has been carried out for public benefit.

Small company provisions

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

Approved by the Board on 15 December 2020 and signed on its behalf by:


.....
M J Higgins - Trustee

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Conclusions relating to going concern (continued)

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at 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 trustees' annual report¹, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and;
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent Auditor's Report to the Members of Preston Vocational Centre Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Calvert ACA (Senior Statutory Auditor)

For and on behalf of Rushtons

Chartered Accountants

Statutory Auditors

Shorrock House

1 Faraday House

Fulwood

Preston

Lancashire

PR2 9NB

Date.....

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Preston Vocational Centre Ltd

Statement of Financial Activities for the Year Ended 31 July 2020

	Note	Unrestricted Total Funds 2020 £	Total Funds 2019 £
Incoming and endowments from			
Voluntary income	2	1,280	20,049
Charitable activities	3	<u>437,095</u>	<u>401,077</u>
Total		<u>438,375</u>	<u>421,126</u>
Expenditure on			
Charitable activities	4	348,811	347,405
Grant Expenditure	4	1,713	1,031
Governance costs	4	<u>32,430</u>	<u>33,390</u>
Total		<u>382,954</u>	<u>381,826</u>
Net movements in funds		55,421	39,300
Reconciliation of funds			
Total funds brought forward		<u>55,077</u>	<u>15,777</u>
Total funds carried forward	15	<u>110,498</u>	<u>55,077</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

Preston Vocational Centre Ltd (Registration Number: 07085396)

Balance Sheet for the Year Ended 31 July 2020

		2020		2019	
	Note	£	£	£	£
Fixed Assets					
Equipment	13		12,704		20,637
Investments	8		<u>1</u>		<u>1</u>
			12,705		20,638
Current assets					
Debtors	9	25,338		7,793	
Cash at bank and in hand		<u>133,505</u>		<u>67,978</u>	
		158,843		75,771	
Creditors: Amounts falling due within one year	10	<u>(61,050)</u>		<u>(41,332)</u>	
Net current (liabilities)/assets			<u>97,793</u>		<u>34,439</u>
Net assets			<u>110,498</u>		<u>55,077</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>110,498</u>		<u>55,077</u>
Total charity funds			<u>110,498</u>		<u>55,077</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

These financial statements were approved by the Trustees on 15th December 2020 and were signed on its behalf by:-

M J Higgins - Trustee

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities SORP (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There are no judgements which have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Board also confirm that PVC meets the definition of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS 102. The exemptions applied relate to the cashflow statement and the strategic report.

The functional and presentational currency is Sterling (£) monetary amounts in these financial statements are rounded to the nearest £. The legal form of the charity is limited by guarantee and a private company.

Going Concern

PVC's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The going concern expectation takes into account the Covid-19 pandemic noted throughout these accounts and highlighted as a principal risk and uncertainty.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

1 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance

Under the constitution of the subsidiary the parent has the ability to both remove and appoint all Board Members from the Boards of the Subsidiaries. Board members shall be appointed by the board for a fix term of three years, however they may be reappointed thereafter for a maximum of three times with a total duration of nine years. The appointment of board members takes place following a selection exercise as a result of board member appraisals to highlight the skills gaps of the current board, which then results in the specific advertisement to fulfil the boards requirements. These advertisements are placed on free recruitment sites as the role is voluntary. The appointment of a director must not cause the number of

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

1 Accounting policies (continued)

Governance (continued)

directors to exceed the maximum of 10, if the appointment of a director by the Parent causes the number to exceed said maximum the Parent has the right to remove so that the number does not exceed the maximum.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Depreciation is provided on tangible fixed assets to write-off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Fixtures & Fittings - 3 years straight-line basis
- Vehicles - 3 years straight-line basis

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

1 Accounting policies (continued)

Investments (continued)

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Voluntary income

	Unrestricted Total Funds 2020 £	Total Funds 2019 £
Donation	1,280	5,000
Festival of Skills Donations	-	15,049
Donation Total	<u>1,280</u>	<u>20,049</u>

3 Charitable activities

	Unrestricted Total Funds 2020 £	Total Funds 2019 £
Income		
Grant Income	55,595	36,537
Education and Training	<u>381,500</u>	<u>364,540</u>
	<u>437,095</u>	<u>401,077</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2019 £
Direct costs				
Employment costs	261,238	-	261,238	263,721
Establishment costs	58,674	-	58,674	55,162
Repairs and maintenance	9,138	-	9,138	14,870
Office expenses	13,393	-	13,393	7,665
Printing, posting and stationery	2,200	-	2,200	3,303
Subscriptions	207	-	207	284
Sundry and other cost	494	-	494	123
Cleaning	2,091	-	2,091	1,182
Travel and subsistence	784	-	784	764
Recharge from parent company	-	30,000	30,000	30,000
Audit fees	-	2,430	2,430	3,390
Bank charges	592	-	592	330
	<u>348,811</u>	<u>32,430</u>	<u>381,241</u>	<u>380,794</u>

	Education and training £	Governance £	Total £	2019 £
Grant Expenditure				
Heritage Lottery Grant	-	-	-	-
UCLAN Grant Expenditure	-	-	-	-
Twilight Expenditure	268	-	268	772
Festival of Skills	816	-	816	34
INTACT	629	-	629	225
Other	-	-	-	-
	<u>1,713</u>	<u>-</u>	<u>1,713</u>	<u>1,031</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2020	2019
Charitable activities - employee numbers	<u>10</u>	<u>12</u>

All employee benefits fall within the banding £10,000 - £60,000. There are no employees who received employee benefits excluding (employer pension costs) of more than £60,000.

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£	£
Wages and salaries	231,054	235,951
National Insurance	18,208	17,479
Other pension costs	<u>11,976</u>	<u>10,291</u>
	<u>261,238</u>	<u>263,721</u>

6 Trustee Expenses

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their Preston Vocational Centre or a related entity.

7 Taxation

The company is a registered charity and is therefore exempt from taxation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value As at 1 August 2019 and 31 July 2020	1
Net book value As at 31 July 2020	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100
			Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings Preston Construction Centre Ltd			1	-

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

9 Debtors

	2020	2019
	£	£
Trade debtors	17,487	4,643
Prepayments and accrued income	<u>7,851</u>	<u>3,150</u>
	<u><u>25,338</u></u>	<u><u>7,793</u></u>

10 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	49,366	25,711
Trade creditors	4,299	1,541
Accruals and deferred income	<u>7,385</u>	<u>14,080</u>
	<u><u>61,050</u></u>	<u><u>41,332</u></u>

11 Members' Liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

12 Operating Lease commitments

As at 31 July 2020 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2019/20	2018/19
	£	£
Due within 1 year	13,388	20,588
Due 2 – 5 years	-	13,387
Due 5+ years	-	-
	<u>13,388</u>	<u>33,975</u>
	2019/20	2018/19
	£	£
Operating lease expenditure	<u>20,588</u>	<u>15,750</u>
	<u>20,588</u>	<u>15,750</u>

13 Fixed assets

	Fixtures & Fittings	Vehicles	Total
	£	£	£
Cost			
At 1 August 2019	7,500	16,298	23,798
Additions	-	-	-
Disposals	-	-	-
At 31 July 2020	<u>7,500</u>	<u>16,298</u>	<u>23,798</u>
Less: Depreciation			
At 1 August 2019	2,708	453	3,161
Charge for the period	2,500	5,433	7,933
Eliminated in respect of disposals	-	-	-
At 31 July 2020	<u>5,208</u>	<u>5,886</u>	<u>11,094</u>
Book Value as at 31 July 2020	<u>2,292</u>	<u>10,412</u>	<u>12,704</u>
Book Value as at 31 July 2019	<u>4,792</u>	<u>15,845</u>	<u>20,637</u>

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

14 Analysis of funds

	At 1 August 2019	Incoming resources	Resources expended	At 31 July 2020
	£	£	£	£
General funds				
Unrestricted income fund	55,077	438,375	(382,954)	110,498

15 Net assets by fund

	Unrestricted Total Funds 2020	Total Funds 2019
	£	£
Tangible assets	12,704	20,637
Investments	1	1
Current assets	158,843	75,771
Creditors: Amounts falling due within one year	<u>(61,050)</u>	<u>(41,332)</u>
Net assets	<u>110,498</u>	<u>55,077</u>

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £11,976 (2019 - £10,291).

Preston Vocational Centre Ltd

Notes to the Financial Statements for the Year Ended 31 July 2020 (continued)

17 Related parties

Controlling Entity

On 1 August 2013 PVC became a wholly owned Subsidiary of CGA. The Chief Executive of CGA is a Board Member of PVC.

Maureen Boland is a member of PVC's board and a Director at Conlon Construction, a company that transacts with PVC.

Chris Keeney is a member of PVC's board and a Director at JFN Integrated Solutions Limited, a company that transacts with PVC.

Related Party Transactions

During 2019/20 the following transactions included in the Financial Statements took place between CGA and PVC:-

- Income of £9,899 from CGA to PVC for provision of skills training under the More Positive Together programme
- The year-end Balance Sheet also shows a parent company creditor of £49,366 which represents:
 - payments made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year;
 - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.

During 2019/20 the following transactions included in the Financial Statements took place between Conlon Construction and PVC: -

- Conlon Construction made a donation of £200 to PVC.

