



Trustees' Annual Report for the period

From	Period start date			To	Period end date		
	Day	Month	Year		Day	Month	Year
	1	Aug	2019		31	July	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
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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.

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 SIKKA 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><u>110,498</u></u>		<u><u>55,077</u></u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>110,498</u>		<u>55,077</u>
Total charity funds			<u><u>110,498</u></u>		<u><u>55,077</u></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	<u>1</u>
Net book value As at 31 July 2020	<u>1</u>
	<u>1</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 Preston Construction Centre Ltd	<u>1</u>	<u>-</u>

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>25,338</u>	<u>7,793</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>61,050</u>	<u>41,332</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><u>110,498</u></u>	<u><u>55,077</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 £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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Trustees' responsibilities in relation to the financial statements	15
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Balance Sheet	17
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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><u>110,498</u></u>		<u><u>55,077</u></u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>110,498</u>		<u>55,077</u>
Total charity funds			<u><u>110,498</u></u>		<u><u>55,077</u></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	<u>1</u>
Net book value As at 31 July 2020	<u>1</u>
	<u>1</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 Preston Construction Centre Ltd			<u>1</u>	<u>-</u>

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>25,338</u>	<u>7,793</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>61,050</u>	<u>41,332</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.

