Annual Report and Financial Statements

Year ended 31st July 2022

Company Registration Number: 07085396
Charity Registration Number: 1135863

Content **Page**

Board of Directors, Executives and Advisors	2
Trustees' Report	3-9
Independent auditors' report	10-15
Trustees' responsibilities in relation to the financial statements	16
Statement of Financial Activities	17
Statement of Financial Position	18
Notes to the Financial Statements	19-29

Board of Directors, Executives and Advisors

Board of Trustees	**Advisors**
M J Higgins (Chair) M Boland R Wakefield S Elcomb C Keeney T Hart A Watson	**Independent Auditor** Rushtons Chartered Accountants and Business Advisers Shorrock House 1 Faraday Court Fulwood Preston PR2 9NB
Company Secretary Craig Garner	**Bankers** Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF

Registration Details

Charity Name: Preston Vocational Centre Ltd

Registered Office & Principal Office:
Preston City Council Services Site, St Paul's Road, Preston, Lancashire, PR1 1PX.

Charity Registration Number: 1135863

Company Registration Number: 07085396

Preston Vocational Centre Ltd

Trustees' Report

The Trustees of Preston Vocational Centre (PVC) present their annual report and audited accounts for the year ended 31 July 2022 and confirm they comply with the requirements of the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure Governance and Management

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

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

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

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

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

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

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

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

Our Mission / Values

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

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

Our Commitment

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

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

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

Operating Review 2021 / 2022

Aims and Objectives

2021/22 was the first year of our 2021-26 Business Plan.

Operating Review

The 2021-26 plan is focused on Covid-19 recovery and re-establishing previous levels of performance. The plan is centred around four key themes:

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

Each theme has its own suite of Key Performance Indicators (KPIs) that are reported to the Board on a regular basis. The key highlights for 2021/22 are summarised below.

- We delivered specialist vocational provision to a total of 173 students from 23 schools across Lancashire of which 42% were from schools that support behaviour, emotional and social difficulties; 23% were from mainstream schools; and 35% were from schools with special educational needs or disabilities.

- Of the 83 school and sixth form leavers in July 2022, 67 (81%) achieved a City and Guilds Level 1 Construction qualification.

Operating Review 2021 / 2022 (continued)

- We delivered specialist vocational provision to a total of 43 non-school students, with programmes including: -

    - **Post 16 Study Programme** – this was delivered through European Structural & Investment Fund (ESIF funding), and has enabled 7 students who are Not in Employment, Education, or Training (NEET) to develop the basic skills in general construction and building maintenance, with 6 of these achieving a City and Guilds Construction level 1 qualification.
    - **More Positive Together -** 33 students engaged with the European Social Fund More Positive Together provision which provides employment and skills training.
    - **Meaningful Use of Time –** funded by Preston City Council to support the city's homelessness provision, 11 participants have engaged in taster sessions in a number of trades with further intensive trade specific courses planned in future months.
    - **Building Blocks for your Future –** a programme of activities aimed at improving the mental health of young people attending the centre; funded by the 'Big Give' charity fundraising campaign.
    - **Guild Lodge –** 5 participants attended the centre on a weekly basis working towards a City and Guilds Level 1 qualification.

- Our volunteer and work experience programme has supported 1 adult volunteer to develop their workplace skills.
- We operate a safe working environment with no RIDDOR reportable incidents affecting members of staff, students, or other visitors to the centre.
- 2021-22 was the first year that PVC delivered the City and Guilds Construction Level 1 qualification after the BTEC qualification offered previously no longer fit the needs of learners attending the Centre.

Trustees' Report (continued)

Financial Review

A surplus for the year of £10,723 is reported which represents 2.6% of turnover compared to a business plan target of 5%. The focus in 2021/22 was on Covid recovery and increasing income to the level achieved prior to the pandemic. Income was lower than anticipated but tight control of costs ensured that we generated a healthy surplus to add to reserves accumulated in previous years, maintaining a strong financial position. A summary of our Statement of Financial Activities for the past three years is shown below.

	2019/20 **£**	**2020/21** **£**	**2021/22** **£**
Total Income	438,375	357,316	404,658
Total Expenditure	382,954	372,612	393,935
Surplus/(Deficit)	**55,421**	**(15,296)**	**10,723**

The 2021/22 surplus is an improvement of £26,019 from 2020/21 which was adversely affected by the Covid-19 pandemic but is lower than the 2019/20 surplus by £44,698, indicating that financial performance continues to be impacted by the economic environment. We were unable to meet our 'New Business Target' of £77,400 in full but generated income amounting to 55% of that target which when combined with cost savings of £24,520 resulted in the surplus of £10,723.

In 2021/22 the majority of our income, £333,167 (82.33%) was received from schools for the delivery of construction courses to 14 to 16-year olds. The remainder of the income £71,492 (17.67%) was received from donations and successful bids for grants to carry out programmes of work with funding received from Preston City Council 'Meaningful Use of Time' fund, European Structural and Investment Fund (ESIF), the European Social Fund 'More Positive Together' initiative. Donations were received from The Big Give campaign and patrons who support us.

The Statement of Financial Position shows fixed assets with value of £4,962, which is the carrying value of a portacabin purchased in 2020/21 to increase capacity at the centre facilitating operation in a Covid secure manner. During 2021/22 a minibus was disposed of, generating a surplus of £2,597.

Financial Review (continued)

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

Reserves Policy

As of 31st July 2022, reserves were £105,926. All surpluses (when generated) are reinvested back into the business for its further development and to build up adequate reserves. As our financial position continues to improve, we can increase our reserves and assist the company's growth.

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

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

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

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

Review of Activities

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

Risk Analysis

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

- the current challenging financial environment and the potential impact of Educational Reforms from Central Government could have on school budgets in the future.

Trustees' Report (continued)

Risk Analysis (continued)

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

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

Public Benefit

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

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

Small company provisions

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

Approved by the Board on 20th December 2022 and signed on its behalf by:

M J Higgins

M Higgins - Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of Preston Vocational Centre Ltd (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities (incorporating Income & Expenditure Account), Statement of Financial Position 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 2022, 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:

Conclusions relating to going concern (continued)

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector, control environment and business performance;

- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:

    - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;

- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

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

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

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

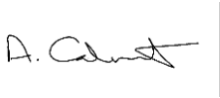
In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Adam Calvert ACA (Senior Statutory Auditor)
For and on behalf of Rushtons
Chartered Accountants
Statutory Auditors
Shorrock House
1 Faraday House
Fulwood, Preston
Lancashire. PR2 9NB

Date: 17/02/2023

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 2022

	Note	Unrestricted Total Funds 2022 £	Total Funds 2021 £
Incoming and endowments from			
Voluntary income	*2*	35,210	5,065
Charitable activities	*3*	369,448	352,251
Total		404,658	357,316
Expenditure on			
Charitable activities	*4*	359,944	350,092
Grant Expenditure	*4*	1,411	-
Governance costs	*4*	32,580	22,520
Total		393,935	372,612
Net movements in funds		10,723	(15,296)
Reconciliation of funds			
Total funds brought forward		95,203	110,498
Total funds carried forward	*15*	105,926	95,203

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

Preston Vocational Centre Ltd (Registration Number: 07085396)

Statement of Financial Position for the Year Ended 31 July 2022

		2022		2021	
	Note	**£**	**£**	**£**	**£**
Fixed Assets					
Equipment	13		4,962		14,522
Investments	8		1		1
			4,963		14,523
Current assets					
Debtors	9	25,759		33,725	
Cash at bank and in hand		150,467		102,514	
		176,227		136,239	
Creditors: Amounts falling due within one year	10	(75,263)		(55,559)	
Net current (liabilities)/assets			100,963		80,680
Net assets			105,926		95,203
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			105,926		95,203
Total charity funds			105,926		95,203

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

These financial statements were approved by the Trustees on 20th December 2022 and were signed on its behalf by:

M J Higgins

M Higgins - Chair of the Board of Trustees

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 from of the charity is limited by guarantee and a private company.

Going Concern

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

Fund accounting policy

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

1 Accounting policies (continued)

Support costs

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

Fixed assets

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

Incoming resources

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

Resources expended

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

Governance

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

1 Accounting policies (continued)

Governance (continued)

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

Governance costs

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

Depreciation

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

- Fixtures & Fittings - 3 years straight-line basis
- Vehicles - 3 years straight-line basis
- Office – 3 years straight-line basis

Debtors

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

Creditors and provisions

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

1 Accounting policies (continued)

Investments

Fixed asset investments are included at market value at the statement of financial position date.

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

Operating leases

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

Pensions

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

2 Voluntary income

	Unrestricted Total Funds 2022 £	Total Funds 2021 £
Patronage Package	14,008	-
Building Blocks for your Future	10,129	-
Donations Conlon	5,000	5,000
Recycling Materials	4,033	-
Other Donations	2,040	65
Donations Total	35,210	5,065

3 Charitable activities

	Unrestricted Total Funds 2022 £	Total Funds 2021 £
Income		
Grant Income	33,685	26,525
Education and Training	333,167	325,726
Other Income	2,597	
	369,448	352,251

4 Expenditure on Charitable Activities and Governance Costs

	Education and training £	Governance £	Total £	2021 £
Direct costs				
Employment costs	279,491	-	279,491	262,957
Establishment costs	61,392	-	61,392	64,620
Repairs and maintenance	3,800	-	3,800	6,483
Office expenses	10,035	-	10,035	9,229
Printing, posting and stationery	1,445	-	1,445	1,530
Subscriptions	295	-	295	292
Sundry and other cost	374	-	374	292
Cleaning	2,631	-	2,631	4,106
Travel and subsistence	113	-	113	176
Recharge from parent company	-	30,000	30,000	20,000
Audit fees	-	2,580	2,580	2,520
Bank charges	368	-	368	407
	359,944	32,580	392,524	372,612

	Education and training £	Governance £	Total £	2021 £
Other Expenditure				
Community Projects	1,411	-	1,411	-
	1,411	-	1,411	-

5 Employees' remuneration

The average number of persons employed by the charity (excluding trustees) during the year w110as as follows:

	2022	2021
Charitable activities - employee numbers	9	9

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:

	2022 £	2021 £
Wages and salaries	243,964	230,886
National Insurance	21,655	20,072
Other pension costs	13,872	11,999
	279,491	262,957

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.

8 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value	
As at 1 August 2021 and 31 July 2022	1
Net book value	
As at 31 July 2022	1
	1

All investment assets were held in the UK.

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

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Preston Construction Centre Ltd	England & Wales	Dormant	Ordinary Shares	100

	Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings		
Preston Construction Centre Ltd	1	-

9 Debtors

	2022 £	2021 £
Trade debtors	18,217	25,402
Prepayments and accrued income	7,542	8,323
	25,759	33,725

10 Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	31,276	39,878
Trade creditors	5,196	1,095
Accruals and deferred income	38,792	14,586
	75,263	55,559

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.

12 Operating Lease commitments

As at 31 July 2022 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2021/22	**2020/21**
	£	**£**
Due within 1 year	19,200	19,200
Due 2 – 5 years	3,200	22,400
Due 5+ years	-	-
	22,400	41,600

	2021/22	**2020/21**
	£	**£**
Operating lease expenditure	19,200	18,570
	19,200	18,570

13 Fixed assets

	Offices	**Vehicles**	**Total**
Cost			
At 1 August 2021	13,740	16,298	30,038
Additions	-	-	-
Disposals	-	(16,298)	(16,298)
At 31 July 2022	**13,740**	**-**	**13,740**
Less: Depreciation			
At 1 August 2021	4,198	11,318	15,516
Charge for the period	4,580	4,577	9,157
Eliminated on disposal		(15,895)	(15,895)
At 31 July 2022	**8,778**	**-**	**8,778**
Book Value as at 31 July 2022	**4,962**	**-**	**4,962**
Book Value as at 31 July 2021	**9,542**	**4,980**	**14,522**

14 Analysis of funds

	At 1 August 2021	Incoming resources	Resources expended	At 31 July 2022
	£	£	£	£
General funds				
Unrestricted income fund	95,203	404,658	(393,935)	105,926

15 Net assets by fund

	Unrestricted Total Funds 2022 £	Total Funds 2021 £
Tangible assets	4,962	14,522
Investments	1	1
Current assets	176,227	136,447
Creditors: Amounts falling due within one year	(75,263)	(55,767)
Net assets	105,926	95,203

16 Pension Scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents the contributions payable by the charity to the scheme and amounted to £13,872 (2021 - £11,999).

17 Related parties

Controlling Entity

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

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

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

Related Party Transactions

During 2021/22 the following transactions included in the Financial Statements took place between CGA and PVC:

- Income of £5,268 from CGA to PVC for provision of skills training under the More Positive Together programme and income of £2,211 from CGA for making benches for a community project.
- The year-end Statement of Financial Position also shows a parent company creditor of £31,276 which represents:
  - payments for goods and services made by CGA on behalf of PVC that have not been repaid by PVC before the end of the financial year;
  - amounts owing to CGA for IT services, repairs and maintenance, staffing and support services provided during the year.

During 2021/22 the following transactions included in the Financial Statements took place between Conlon Construction and PVC:

- Conlon Construction made a donation of £5,000 to PVC.