

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED

England & Wales · Charity number 273571

Details

| | |
|----------------|---|
| Other names | THE GLOUCESTERSHIRE TRAINING GROUP LIMITED |
| Status | Registered |
| Legal form | Charitable company |
| Company number | 01300119 |
| Registered | 1977-06-21 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|--|
| Address | Gloucestershire Engineering Training Barnwood Point Corinium Avenue Gloucester GL4 3HX |
| Phone | 01452423461 |
| Email | r.hill@get-trained.org |
| Website | www.get-trained.org |

Activities

Objects: A) TO PROMOTE AND ADVANCE ADEQUATE TRAINING OF PERSONS EMPLOYED OR INTENDING TO BE EMPLOYED IN INDUSTRY AND COMMERCE.B) SUBJECT TO THE FOREGOING OBJECT, TO EXTEND SUCH TRAINING TO MEMBERS OF THE PUBLIC GENERALLY.

Activities: Gloucestershire Training Group Ltd provides engineering apprenticeships to young people and adhoc training to graduates and adults.

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** Children/young People

Geography

- Gloucestershire

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-08-31 | £4,116,125 | £3,423,086 | £2,713,433 | 54 |
| 2024-08-31 | £3,855,015 | £3,253,123 | £2,020,394 | 51 |
| 2023-08-31 | £2,981,844 | £2,894,246 | £1,418,522 | 50 |
| 2022-08-31 | £2,750,856 | £2,519,043 | £1,305,003 | 44 |
| 2021-08-31 | £2,127,057 | £2,401,916 | £369,329 | 44 |

Trustees

| Name | Role | Appointed |
|----------------------------------|------|------------|
| Arren Kinder | | 2019-07-29 |
| Deborah McLean | | 2006-04-01 |
| Ian Henderson | | 2019-10-11 |
| JILL BREARLEY | | |
| Jack Thomas Quinn | | 2025-02-01 |
| Liam Oliver Marley | | 2023-09-19 |
| Matthew Bailey | | 2024-07-30 |
| Paul Richard Adamson | | 2025-08-01 |
| Simon Neil Biggs | | 2021-08-02 |
| TRISTRAM JAMES WILLIAM SOUTHGATE | | 2018-06-01 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED

England & Wales - Charity number 273571

Accounts

Company Number: 01300119

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED
(By Guarantee)**

FINANCIAL STATEMENTS

31 August 2025

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GLoucestershire Engineering Training Limited (By Guarantee)

CHARITY INFORMATION

For the year ended 31 August 2025

Reference and Administrative Information

Charity Name: Gloucestershire Engineering Training Limited
Charity Registration Number: 273571
Company Registration Number: 01300119
Registered Office and Operational Address: Barnwood Point, Corinium Avenue, Gloucester, GL4 3HX

Board of Governors

Appointment date

| | |
|------------------------------------|------------|
| J Brearley | 29/11/1991 |
| T Southgate | 01/06/2018 |
| A Kinder | 01/08/2019 |
| I Henderson | 11/10/2019 |
| S Biggs | 05/08/2021 |
| R Grey (resigned 09/10/2025) | 18/01/2022 |
| J Farrington (resigned 01/07/2025) | 03/10/2022 |
| L Marley | 19/09/2023 |
| M Bailey | 30/07/2024 |
| J Quinn | 01/02/2025 |
| Z Burke (resigned 15/09/2025) | 01/04/2025 |
| P Adamson | 01/08/2025 |
| H Gardiner (resigned 12/09/2024) | 03/10/2022 |
| A Powell (resigned 31/10/2024) | 01/02/2019 |

Company Secretary

W Thomas 19/11/2024

Chief Executive

W Thomas 06/09/2021

Leadership Team

| | |
|---------------|--|
| W Thomas | Chief Executive Officer |
| E Phelpstead | Deputy Head of Centre and Learner Services Manager |
| R Hoyland | Finance Manager |
| C Spender | Deputy Head of Centre and Academic Manager |
| I Ward-Mustoe | Quality Manager |
| L Jones | EPA and Skills Manager |
| J Weatherley | Training and Maintenance Manager |

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
GL1 1NU

Auditors

Hazlewoods LLP
Staverton Court
Cheltenham
GL51 0UX

Solicitors

Davies & Partners
Rowan House
Barnwood
Gloucester
GL4 3RT

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRPERSON'S REPORT
For the year ended 31 August 2025

CHAIRPERSON'S REPORT 2024-2025

Academic year 2024-2025 has seen healthy apprenticeship numbers around recruitment and delivery. We also had a strong year on our commercial training offering, following on from 2023-2024 where we saw growth in apprenticeship numbers, HE and commercial training opportunities. Currently we have no learners who are out of the apprenticeship funding and have successfully supported a further 95 through End Point Assessment. GET has developed and adapted its operational approach to ensure the Apprentices are trained to support our employer needs whilst meeting the government requirements. Academic year 2024-2025 was made up of 147 Apprentices of which 36 Level 4 and 111 Level 3 across our Barnwood and Cinderford sites, and a new cohort of 37 HE learners started on HNC/D on a commercial payment basis.

We have continued to work on the feedback provided from our Ofsted inspection, this has included updating our business functions, delivery / curriculum planning to include far more input from our employer partners. Five Streams continues to be the main operating system we use to measure our success; monthly updates are provided by all teams within the business too support operational, leadership and board meetings.

The Training and Maintenance Manager has continued to grow our commercial skills offering, creating more bespoke training packages, working with more employers from within the county and beyond. Areas which continue to be very popular are welding and fabrication, machining, electrical safety and electronics. This training has led to more direct NVQs being requested by the employer network to support their workforce CPD and enhance the training received at GET. We have also had more demand for onsite training at employer's premises to support delegates on the equipment they are familiar with daily.

Our satellite centre in the Forest of Dean welcomed a cohort of 19 Apprentices for training in September 2024. This is good growth, however with our continued communication and discussion with employers it has become clear that the recruitment of apprentices will be on a cycle of 3 years due to most of the employers being SMEs. We will continue to review the interest and commitment within the Forest of Dean to ensure we operate efficiently to meet demand.

There has been a positive change in the behaviours, attitude and communication of our apprenticeship cohort, as these declined significantly during and post the pandemic for several years. Challenges remain with maths and engineering principles due to the increase in demand and complexity of the subjects. The academic qualification has proved a challenge for some learners; however, GET has continued to provide additional support sessions to ensure learner's progress. Higher Education learners continue to progress on a positive trajectory which is great news. Retention and success rates for apprenticeships continue to be high at GET at over 22% above the national average.

As always, a review of the delivery year was undertaken, and our approach to continuous improvement is enhanced. We have adapted the curriculum delivery plan and allocated sessions at the end of the year to support those learners who required additional support.

Positively, all timetabled delivery for the practical and academic delivery was successfully completed by the third week of July. Thanks to the dedication and support of the Staff across the delivery teams, all the learners can now progress to the next stage of their apprenticeship (development stage) in company with the support and guidance of GET.

Financially, as anticipated, we have performed extremely well this academic year, with surplus of £693,039. Recruitment for 2025-2026 has been very positive, with 111 Level 3 Apprentices and 35 Level 4 Apprentices resulting in a total of 146 Apprentices. As expected, the Level 4 Apprentice year on year increase has resulted in a reduction in Higher Education year one learners to 18.

Although the average number of Staff has remained largely the same year on year, we have successfully recruited a Skills Training Instructor and 2 Cleaners (inhouse). We continue with our succession planning for staff to ensure we have strength in depth moving forward. Staff retention is always a concern due to the continuing increase in salaries for skilled engineers in industry.

We are very mindful of the external pressures around the economy and continue to monitor and discuss any implications with our trusted employer partners on a regular basis, this supports our regular business plan and strategy review. There is a constant review of apprenticeship standards and there is a view in government and external stakeholders that the EPA process needs to be slicker and more cost effective.

One of the aims of our strategy is the continued growth of Higher education (HNC and HND) to support the demand from learners and employers. Our vision is to increase the number of HE learners to 240 from the current 130 which has been restricted due to space. We have agreed the lease of a further unit and the CEO, with the support of the leadership team, has secured a grant to the value of \$756,000 (£528,000) to support GET with the fitout of the new building and enhancement of the current premises including a new mezzanine.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRPERSON'S REPORT
For the year ended 31 August 2025

As previously, we have continued to repay our shortfall deposit deficits with several employers and have a payment plan in place with one of our customers. This was done to reduce the company's liabilities and finance future growth; we have agreed with employers for them to stop paying shortfall deposits and in return GET will ringfence their outstanding refunds as designated to offset the Year 1 Apprenticeship funding deficit and to finance growth. We paid the third instalment of our interest free loan with one of our employer partners to return the shortfall deposits over a period of ten years, The shortfall deposit liability has reduced £96,994 year on year.

It has been a challenging year for everyone, but as a training provider we have made significant strides forward. I want to thank all the Staff at GET for their continued dedication, tireless commitment and professionalism during these extremely busy but positive times. I would also like to thank all our customers and Board of Governors for their patience, input, and ongoing support.

Well done to all and a big thank you for supporting us on our journey.

A Kinder
Chairperson (Acting)
Gloucestershire Engineering Training

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2025

The Board of Governors presents its report, including the Directors' Report as required by the Companies Act 2006, and audited financial statements for the year ended 31 August 2025.

Structure, Governance and Management

Governance Document

The organisation is a charitable company limited by guarantee. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the Charitable Company being wound up trustees are required to contribute an amount not exceeding £20.

Recruitment and Appointment of Board of Governors

The Governors of the Charitable Company are also charity trustees for the purposes of charity law and directors for the purposes of company law and under the Company's Articles of Association are known as trustees of the Management Board. Under the requirements of the Memorandum and Articles of Association membership will automatically terminate three years from the date of admission to membership. Members may then reapply as provided in article 10(2). (The wording of 10(2) is below).

10(2) Membership is open to organisations/companies which are engaged in industry, engineering, manufacturing or commerce and who:

- a) Apply to the charity in the form required by the Governors; and
- b) Are approved by the Governors.

The Management Board consists of a Chairperson and Vice Chairperson; the minimum number of Governors shall be 4 and the maximum shall be 12 and the majority of the Board must be "Industry Governors".

To qualify for appointment as a Governor a person must:

- a) be employed by or be a director of a company or organisation involved in industry, engineering manufacturing or commerce; or
- b) have previously worked in industry, engineering, manufacturing or commerce for a number of years so as to have extensive experience of such sectors; or
- c) have professional or other relevant skills ("Independent Governors").

Board of Governors Induction and Training

As direct customers and users of the Charitable Company's training and development resource in-coming Governors are generally familiar with the operational goals and principles of the Association. Those who are not are provided with an appropriate induction.

As part of OFSTED requirements, all Governors complete 'Prevent Awareness' training (including the 'Prevent for Governors' workshop) and are made aware of KCSIE Part 1. In addition, Governors partake in 'The Essential Trustee Training' as per the Charity Commission website.

Risk Management

The major risk to which the Charitable Company is exposed is the reduction in Government funding. The Board of Governors monitors and evaluates this and other risks by holding regular Board meetings. Budgets are prepared and updated to predict possible losses arising from these risks.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2025

Organisational Structure

The Charitable Company is divided into five departments: Learner Services Team, Skills and Development Team, Practical Delivery Team, Academic Delivery Team and Training and Maintenance Team. The day-to-day management of the Charitable Company rests with the CEO, with delegated responsibilities to the Leadership Team. The Learner Services, Finance and Business Improvements team provides support services throughout the organisation. The Skills and Development Team carry out progress reviews, internal quality assurance of learner portfolios and prepares the learner for End Point Assessment, with the support of the employer to ensure that the apprenticeship programme is achieved. The Practical Delivery Team provides off the job training on the workshop to meet the skills requirements of the apprenticeship whereas the Academic Team provides the Training room-based elements which include our commercial HE offering, and functional skills to meet the knowledge requirements. The Training and Maintenance Team deliver commercial training to external customers as well as supporting the operational maintenance of the workshop, buildings and equipment. All teams work closely together to meet the needs of the business, deliver the apprenticeship standard and support the individual learner journey.

As a Charity we regularly benchmark our remuneration and benefits packages against a variety of measures – firstly we look at the local market rates by comparing our salaries and T&Cs against our competitors, we look at benchmarking against other Group Training Associations England (GTAE) across the UK and use national statistics from public research (KPMG etc.). We aim to make sure we are at least competitive and are paying the market rates but also need to make our offer attractive without being overly excessive to the market position. This activity is completed internally by HR and the CEO and presented and discussed at Board level. Very recently governors who have a suitable background have also carried out these reviews as a supporting measure.

External Stakeholders

Gloucestershire Engineering Training Limited is audited by the Department of Education (DofE), Education and Skills Funding Agency (ESFA) (until 31 March 2025), Office for standards in education (Ofsted) and Education Awarding Organisations (Aos) in order to deliver approved Apprenticeship Standards.

Objectives and Strategies

The Memorandum and Articles of Association of the Charitable Company state that the objects for which the Charitable Company is established are:

- i) to promote and advance adequate training of persons employed or intending to be employed in industry and commerce.
- ii) subject to the foregoing object, to extend such training to members of the public generally.

The objectives are achieved by the provisions of a training centre, offering both the Skills and Knowledge aspects of the programme, and contracts with each Employer. The contracts are funded by the Apprenticeship Levy for full Apprenticeships or on a commercial basis for Skills training. There have been no major policy changes during the year.

Strategic Report

Achievements and Performance

Given the challenges and external pressures we have faced over the last few years, the Trustees think it is commendable how the organisation and the staff within have adapted and grown the business and opened a dedicated higher education facility at Barnwood to support HE learner and Level 4 apprentices.

Practical Delivery – the training year ended on time with a high number of first year learners completed their training, 118 out of the 123 recruited passing. The learners who were not successful were withdrawn from the apprenticeship scheme by their employers for failing to meet the behavioural requirements of the apprenticeship programme. Due to the different requirements of the apprenticeship standards and the planned learner journey, some learners finished slightly early and were able to return to their employers early.

Academic Delivery – the Academic delivery finished as planned. We have most definitely noticed an improvement in abilities of the younger apprentices this academic year. There have been less support sessions required, however we have continued to timetable the sessions.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2025

Failure rates at the end of the academic year 2024-2025 have improved significantly, however there was a high number of failures during the early part of the academic year. Thanks to the dedication and support of our tutors a very high number passed. There were a small number of learners who needed to return to complete some units to succeed. Yet again the failures were down to the learners' attitude and engagement or in some instances capability or poor retention. Apprenticeship success rates at GET did drop as low as 67%, with the national average as low as 53.4%, this was due to leavers and the delay in completing EPA, however these are now increasing very rapidly to the level we are accustomed to, and we have a completion rate of 88.4%.

Skills Development Team – A high volume of work was carried out to keep learners progressing, the recruitment of dedicated staff to support EPA continues to be very positive. We have supported employers with more engagement visits and provided support for EPA, such as interview techniques and reviewing learner EPA submission documents. There does appear to be big changes ahead and EPA-End point assessment will be known as apprenticeship assessment with more interaction from the training providers and employer having ownership of the behavioural requirements.

Currently we have 25 learners who are late completing their apprenticeships due to the EPA requirements, however 19 of these are at the final stage of the gateway.

HE numbers interestingly have also seen a significant increase, with more learners following a level 4 apprenticeship route to complete their HNC/D. The commercial training aspect at GET continues to grow in both skills training and direct NVQs. We are currently updating our offering to include more pneumatics, plc and electronics.

We have been able to show more commitment to our charitable objectives this year and have provided support for two external organisations as well as supporting employing an individual with academic learning limitations.

Financial Review

The budget for 2024-2025 predicted a surplus of £287k. In February, we provided a reforecast for the remainder of the year resulting in the surplus increasing to £484k, mainly due to grant funding for the Apprenticeship Growth Fund and Forest of Dean council.

We ended 2024-2025 with a net surplus of £693k, £209k higher than the forecast mainly due Gene Haas Foundation grant funding of £524k, offset by the annual accrued income adjustment for leavers of £213k and Level 4 apprenticeship accrued income true-up £209k. During this financial year, the shortfall deposit reserve has increased by a further £26k to £805k with another company agreeing to transfer their balance.

Overall, this has resulted in an increase to reserves of £693k (see note 16), which supports GET's initiative to build a £1.2m reserve to cover the first year additional costs, as well as to provide future financial stability and continuity.

The 2025-2026 training year has started very well with 147 learners starting their apprenticeships (111 Level 3 and 36 Level 4) at GET in September 2025 and together with the successes of this year, we are expecting to end 2025-2026 with a surplus of £348k.

Principal Funding Sources

The principal funding source is primarily our employer customer base supported by the DofE funding for Apprenticeships in the main, via the Apprenticeship Levy. All businesses regardless of size are supported by the apprenticeship levy, either via 5% contribution from the employer or co-investment approach.

We understand the requirements under Charity regulations to disclose our involvement in fundraising. The Charity is not involved in such activities as all monies are generated from commercial activities and charitable activities funded by local employers, supported by government funding. The Charitable Company does not have any volunteers.

GET is very fortunate to have been identified as a centre who delivers for the community and supports over 100 local employers within the county and wider. The Gene Haas Foundation, which is based in the USA, recognises all the hard work and effort GET puts into supporting engineering and manufacturing by developing future engineers and upskilling the wider workforce. The foundation awarded GET with a grant of £524k to support the opening of a dedicated Higher Education facility in Barnwood to support the demands of the local employers and sector. We were also able to add an additional 7,000 square foot of floor space with the installation of a mezzanine to aid in the training of more apprentices and commercial training.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2025

Investment Policy

The Charitable Company does not have an investment portfolio. All funds are held in bank deposit accounts and monitored regularly by the Board.

Reserves Policy

The Trustees reserves policy is to build and have sufficient funds to cover 6 months' operating costs if apprenticeship funding ceases to exist. Available free reserves have now increased to £1.7m, which comfortably covers this. We also have designated funds to provide financial security to the charitable organisation as set out in note 16.

Plans for Future Periods

A new 10-year lease has now been signed with a 5 year break out option for unit 2.4, with the following agreed as part of our Strategy and Business Plan:

- Increase the number of Apprentices undertaking the Level 3 programme to 150 across both sites
- Continue to convert the majority of our Commercial HE on to Level 4 Apprenticeship programs.
- Continuing to grow and improve our commercial offering, which has shown very positive growth.
- Identify new income opportunities such as delivering more commercial academic courses such as CAD-Computer aided design and Abrasive wheels
- Consideration of evening delivery to support commercial training around welding and electrical safety to support a wider audience and support those in full-time employment.
- Forest of Dean GET site- We need to review the number of learners and commitments by employers in the Forest around recruiting apprentices, to ensure delivery is economically viable in terms of the learner / staff ratio.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

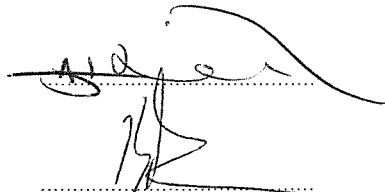
Statement of Disclosure to Auditor

- a) so far as the trustees of the Management Board are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- b) they have taken all steps that they ought to have taken as trustees of the Management Board in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

A Kinder
Chairperson (Acting)



I Henderson
Vice Chairperson (Acting)

Date: 29/01/2026

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF BOARD OF GOVERNOR'S RESPONSIBILITIES OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2025

The Board of Governors are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the charities SORP (Accounting and Reporting by Charities – Statement of Recommended Practice).
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board of Governors 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**
For the year ended 31 August 2025

Opinion

We have audited the financial statements of Gloucestershire Engineering Training Limited (the 'charitable company') for the year ended 31 August 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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:

- the information given in the Governors' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**
For the year ended 31 August 2025

Matters on which we are required to report by exception

In the light of the 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 included in the Governors' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of Trustees

The Trustees are responsible for the other information. As explained more fully in the Board of Governor's Responsibilities statement set out on page 8 the Trustees (who are also the Directors of the 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We considered the nature of the charitable company's industry and its control environment and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act, UK Charities Act, Charity SORP, Independent Training Providers Handbook and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**
For the year ended 31 August 2025

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Felicity Sang
(Senior Statutory Auditor)

For and on behalf of:
Hazlewoods LLP
Chartered Accountants and Statutory Auditors
Staverton Court
Cheltenham
GL51 0UX

Date: 6/2/26

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 August 2025

| | | | | | Total Funds | |
|--|------|--------------------|------------------|------------------|--------------------|-----------|
| | Note | Unrestricted funds | Designated funds | Restricted funds | 2025 | 2024 |
| | | £ | £ | £ | £ | £ |
| Income from charitable activities | | | | | | |
| - Practical Delivery | 3 | 1,272,590 | - | - | 1,272,590 | 1,430,745 |
| - Academic | 3 | 1,355,947 | - | - | 1,355,947 | 1,510,741 |
| - Skill development advisors | 3 | 783,258 | - | - | 783,258 | 851,187 |
| - Other income | 3 | 29,179 | 25,563 | 640,653 | 695,395 | 50,117 |
| | | 3,440,974 | 25,563 | 640,653 | 4,107,190 | 3,842,790 |
| Investment income | | | | | | |
| Interest receivable | | 8,935 | - | - | 8,935 | 12,225 |
| | | 3,449,909 | 25,563 | 640,653 | 4,116,125 | 3,855,015 |
| Expenditure on charitable activities | | | | | | |
| - Practical Delivery | 4 | 1,587,387 | - | - | 1,587,387 | 1,392,947 |
| - Academic | 4 | 1,165,099 | - | - | 1,165,099 | 1,189,479 |
| - Skill development advisors | 4 | 670,600 | - | - | 670,600 | 670,717 |
| | | 3,423,086 | - | - | 3,423,086 | 3,253,143 |
| Net surplus for the year | | 26,823 | 25,563 | 640,653 | 693,039 | 601,872 |
| Transfer between funds | | 393,534 | - | (393,534) | - | - |
| Net movement in funds | | 420,357 | 25,563 | 247,119 | 693,039 | 601,872 |
| Fund balances brought forward at beginning of year | | 1,240,495 | 779,899 | - | 2,020,394 | 1,418,522 |
| Fund balance carried forward at end of year | | 1,660,852 | 805,462 | 247,119 | 2,713,433 | 2,020,394 |

The Statement of Financial Activities includes all gains and losses in the year therefore a statement of recognised gains and losses has not been prepared.

All income and expenditure is derived from continuing activities.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

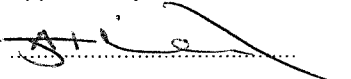
STATEMENT OF FINANCIAL POSITION

For the year ended 31 August 2025

| | Note | Total Funds | |
|------------------------------|------|-------------|-----------|
| | | 2025 | 2024 |
| | | £ | £ |
| FIXED ASSETS | | | |
| Intangible assets | 10 | 13,867 | 5,467 |
| Tangible assets | 11 | 835,900 | 257,755 |
| | | 849,767 | 263,222 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 2,836,958 | 2,665,034 |
| Cash at bank and in hand | | 377,211 | 489,989 |
| | | 3,214,169 | 3,155,023 |
| CREDITORS | | | |
| due within one year | 13 | (634,101) | (578,116) |
| | | 2,580,068 | 2,576,907 |
| NET CURRENT ASSETS | | | |
| | | 3,429,835 | 2,840,129 |
| CREDITORS | | | |
| due after more than one year | 13 | (716,402) | (819,735) |
| | | 2,713,433 | 2,020,394 |
| NET ASSETS | | | |
| TRUSTEES' FUNDS | | | |
| Unrestricted funds | | | |
| Retained surplus | 16 | 1,660,852 | 1,240,495 |
| Designated funds | 16 | 805,462 | 779,899 |
| | | 2,466,314 | 2,020,394 |
| Restricted funds | 16 | 247,119 | - |
| | | 2,713,433 | 2,020,394 |
| | | 2,713,433 | 2,020,394 |

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102.

Approved by the Board and authorised for issue on 29 January 2026.


A Kinder – Chairperson (Acting)
Company number: 01300119


I Henderson – Vice Chairperson (Acting)

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

| | Note | 2025 £ | 2024 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net movement in funds | | 693,039 | 601,872 |
| Adjustments to cash flow from non-cash items: | | | |
| Depreciation and amortisation | 4,5 | 81,831 | 83,774 |
| Finance income | | (8,935) | (12,225) |
| Finance and hire purchase costs | | 7,065 | 3,306 |
| | | 773,000 | 676,727 |
| Working capital adjustments: | | | |
| Increase in debtors | | (171,924) | (468,440) |
| Decrease in creditors | | (139,111) | (247,815) |
| Net cash flow from operating activities | | 461,965 | (39,528) |
| Cash flows from investing activities | | | |
| Interest received | | 8,935 | 12,225 |
| Acquisitions of fixed assets | 10,11 | (668,376) | (55,173) |
| Net cash flows used in investing activities | | (659,441) | (42,948) |
| Cash flows from financing activities | | | |
| Hire purchase interest | | - | (1,727) |
| Loan interest | | (7,065) | (1,579) |
| Movements in finance leases | | - | (9,867) |
| Repayment of loans | | (33,237) | (25,000) |
| Loan drawdown | | 125,000 | - |
| Net cash flows from / (used in) financing activities | | 84,698 | (38,173) |
| Net movement in cash and cash equivalents | | (112,778) | (120,649) |
| Cash and cash equivalents at 1 September | | 489,989 | 610,638 |
| Cash and cash equivalents at 31 August | | 377,211 | 489,989 |

Analysis of changes in net debt

| | At 1 September 2024 £ | Cash flows £ | Other non-cash changes £ | At 31 August 2025 £ |
|----------------------------------|--------------------------------|------------------|-----------------------------------|------------------------------|
| Cash and cash equivalents | | | | |
| Cash | 489,989 | (112,778) | - | 377,211 |
| Borrowings | | | | |
| Due within 1 year | (25,000) | (19,265) | - | (44,265) |
| Due after more than 1 year | (22,917) | (72,498) | - | (95,415) |
| Total net debt | 442,072 | (204,541) | - | 237,531 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

1 GENERAL INFORMATION

The company is a private Charitable Company limited by guarantee, registered in England and Wales.

The address of its registered office is:
Barnwood Point
Corinium Avenue
Gloucester
GL4 3HX

2 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

The presentational currency of the financial statements is Pound Sterling, being the functional currency of the primary economic environment in which the Charitable Company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Gloucestershire Engineering Training Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charitable Company to continue as a going concern. The trustees' make this assessment in respect of a period of at least one year from the date of approval of the financial statements. In making this assessment the trustees review forecasts prepared and consider the position of the Charitable Company at the date of signing the financial statements.

On review, the trustees' have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Format of Accounts

The Company is a registered charity and is not, therefore, a profit-making organisation. In the opinion of the Board of Governors, references required by the Companies Act 2006 to profits are misleading in the context of the Charitable Company's activities and have therefore been substituted by the term surplus where appropriate.

The Charitable Company has no costs which are directly attributable to sales and is therefore unable to adopt any of the statement of financial activities formats prescribed by the Companies Act 2006

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have been identified by management in preparing these financial statements.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

2 ACCOUNTING POLICIES (Continued)

Key sources of estimation uncertainty have been identified by management in preparing these financial statements as follows:

Shortfall deposits

The Charitable Company report shortfall deposits of £759,574 (2024: £1,032,468) on the balance sheet aged with regard to management's best estimate of the expected repayment periods of the shortfall deposits.

The discounting element is considered immaterial and therefore no adjustment has been made.

Dilapidation provision

A provision of £175,000 (2024: £175,000) is made in respect of costs that may be incurred at cessation of the property lease in order to return the property to the same state as when the lease was entered into. This estimate is based on management's review of dilapidation costs incurred on similar properties.

The discounting element is considered immaterial and therefore no adjustment has been made.

Accrued income

Accrued income of £2,383,172 (2024: £2,512,335) is recognised in respect of funding due to be received, as the Charitable Company provides learner training, based on historical achievement rates of apprentices.

Incoming Resources

Incoming resources represent fees receivable for training services provided by the Charitable Company during the year and is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable are recognised under the accrual model. They are held in creditors as deferred income until such time as the Charitable Company can be reasonably certain that the funds can be taken as revenue, rather than being repaid to the Government or passed on to sponsoring companies.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Intangible Fixed Assets

Software development costs are recognised at fair value at the acquisition date and have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets, less any estimated residual value, over their useful life as follows:

| | |
|----------------------------|-----------------------|
| Software development costs | 20% of cost per annum |
|----------------------------|-----------------------|

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation

Depreciation is calculated to write off the cost of tangible assets over their estimated useful lives at the following rates:

| | |
|------------------------------------|---------------------------|
| Improvements to leasehold property | Over 10 years |
| Plant and equipment | 10%-33% of cost per annum |
| Motor vehicles | 20% of cost per annum |

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than one month from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

2 ACCOUNTING POLICIES (Continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charitable Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activity over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included within Other Costs.

Borrowings are classified as current liabilities unless the Charitable Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating Leases

The cost of operating leases has been charged to the statement of financial activities on a straight-line basis over the term of the term.

Resources Expended

All expenditure is accounted for under the accruals concept. The Charitable Company has only one main activity: the provision of training services. All costs, other than professional fees are allocated to the main charitable activity. Within the main charitable activity, costs are allocated across Practical, Academic and Assessment costs. These allocations are based on direct apportionment except for premises costs, which are allocated on approximate floor space and usage. Professional fees are allocated to governance costs.

Fund structure

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

Pensions

Contributions payable on behalf of employees to the defined contribution pension scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

3 INCOME

| 2025 | Practical Delivery £ | Academic £ | Skill development advisors £ | Other Income £ | Total £ |
|-----------------------------------|----------------------------|---------------|---------------------------------------|-------------------|------------|
| Government funded apprenticeships | 1,009,452 | 1,016,063 | 721,058 | - | 2,746,573 |
| Commercial courses | 263,138 | 339,884 | 62,200 | - | 665,222 |
| Grant income | - | - | - | 655,653 | 655,653 |
| Other income | - | - | - | 39,742 | 39,742 |
| | 1,272,590 | 1,355,947 | 783,258 | 695,395 | 4,107,190 |

| 2024 | Practical Delivery £ | Academic £ | Skill development advisors £ | Other Income £ | Total £ |
|-----------------------------------|----------------------------|---------------|---------------------------------------|-------------------|------------|
| Government funded apprenticeships | 1,222,643 | 1,056,201 | 804,446 | - | 3,083,290 |
| Commercial courses | 208,102 | 454,540 | 46,741 | - | 709,383 |
| Other income | - | - | - | 50,117 | 50,117 |
| | 1,430,745 | 1,510,741 | 851,187 | 50,117 | 3,842,790 |

The income from charitable activities was £4,107,190 (2024: £3,842,790) of which £3,451,537 was unrestricted (2024: £3,842,790) and £640,653 restricted (2024: £Nil).

During the year government funding income totalling £2,746,573 (2024 - £3,792,673) was received from the Education and Skill Funding Agency and Department for Education under the agreed training framework.

4 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Practical Delivery £ | Academic £ | Skill development advisors £ | 2025 Total £ | 2024 Total £ |
|-------------------------------|----------------------------|---------------|---------------------------------------|--------------------|--------------------|
| Staff costs | 719,825 | 621,167 | 409,869 | 1,750,861 | 1,672,717 |
| Building costs | 188,103 | 122,279 | 14,417 | 324,799 | 318,955 |
| Motor and travel | 1,505 | 223 | 3,413 | 5,141 | 4,691 |
| Depreciation and amortisation | 41,604 | 11,271 | - | 52,875 | 56,069 |
| Business support costs | 557,314 | 381,320 | 234,659 | 1,173,293 | 1,084,470 |
| Governance costs | 14,824 | 10,142 | 6,242 | 31,208 | 34,630 |
| Equipment costs | 54,826 | 2,889 | 222 | 57,937 | 51,334 |
| Other costs | 9,386 | 15,808 | 1,778 | 26,972 | 30,278 |
| 2025 | 1,587,387 | 1,165,099 | 670,600 | 3,423,086 | |
| 2024 | 1,392,947 | 1,189,479 | 670,717 | | 3,253,143 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

5 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charitable Company identifies the support and governance functions and the costs which relate to them. These costs are then allocated between the practical delivery, academic and skill development advisors departments by the number of employees in the department.

| | Business Support £ | Governance £ | 2025 Total £ | 2024 Total £ |
|-------------------------------|-----------------------------------|-------------------------|-----------------------------|-----------------------------|
| Staff costs | 640,014 | - | 640,014 | 563,938 |
| Building costs | 40,290 | - | 40,290 | 52,453 |
| Non reclaimable input VAT | 180,235 | - | 180,235 | 108,660 |
| Motor and travel | 22,987 | - | 22,987 | 10,547 |
| Depreciation and amortisation | 28,956 | - | 28,956 | 27,705 |
| Disposal of fixed assets | - | - | - | - |
| Equipment costs | 8,073 | - | 8,073 | 8,492 |
| Other costs | 252,738 | 31,208 | 283,946 | 347,305 |
| | <hr/> | | | |
| 2025 | 1,173,293 | 31,208 | 1,204,501 | |
| | <hr/> | | | |
| 2024 | 1,084,470 | 34,630 | | 1,119,100 |
| | <hr/> | | | |

6 AUDITORS' REMUNERATION

| | 2025 £ | 2024 £ |
|-------------------------------------|-------------------|-------------------|
| Auditors' remuneration (net of VAT) | | |
| Costs of external scrutiny | 10,300 | 10,000 |
| Other financial services | 4,507 | 3,178 |
| | <hr/> | <hr/> |
| | 14,807 | 13,178 |
| | <hr/> | <hr/> |

7 STAFF COSTS

| | 2025 £ | 2024 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 1,997,505 | 1,890,970 |
| Social security costs | 228,125 | 192,124 |
| Pension costs | 86,370 | 87,517 |
| Other staff costs | 78,875 | 66,044 |
| | <hr/> | <hr/> |
| | 2,390,875 | 2,236,655 |
| | <hr/> | <hr/> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

8 STAFF COSTS (continued)

The Charitable Company operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. No contributions were outstanding at the end of the current or prior year.

Included within the wages and salaries are ex gratia payments totalling £nil (2024 - £18,311).

The key management personnel of the Charitable Company comprise the Board of Governors and Senior Management Team as listed on page 1. The Board of Governors, being the trustees, received no remuneration or reimbursement of expenditure. The total amount of employee benefits (including employer pension contributions and employers' national insurance) received by the Senior Management Team for their services to the Company was £671,093 (2024 - £692,642).

| Key management personnel | 2025 | 2024 |
|--|-------------|-------------|
| The number of key management personnel | 10 | 12 |

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

| | 2025 | 2024 |
|---------------------------|-------------|-------------|
| £60,001 to £70,001 p.a. | 2 | - |
| £120,001 to £130,000 p.a. | - | 1 |
| £140,001 to £150,000 p.a. | 1 | - |

The average number of employees was:

| | 2025 | 2024 |
|--|-------------|-------------|
| Senior Management Board (And CEO HR and Finance) | 6 | 7 |
| Business Support | 8 | 6 |
| Workshop (Practical delivery) | 19 | 14 |
| VRQ (Academic team) | 13 | 16 |
| Review Officers | 8 | 8 |
| | 54 | 51 |

9 TAXATION

As a registered charity the Charitable Company has no liability in respect of taxation.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

10 INTANGIBLE FIXED ASSETS

| | Software development costs |
|-----------------------|-----------------------------------|
| | £ |
| Cost | |
| At 1 September 2024 | 8,000 |
| Additions | 10,000 |
| At 31 August 2025 | 18,000 |
| Depreciation | |
| At 1 September 2024 | 2,533 |
| Charge for year | 1,600 |
| At 31 August 2025 | 4,133 |
| Net book value | |
| At 31 August 2025 | 13,867 |
| At 31 August 2024 | 5,467 |

11 TANGIBLE FIXED ASSETS

| | Leasehold improvements | Plant and machinery | Motor vehicles | Total |
|-----------------------|-------------------------------|----------------------------|-----------------------|--------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 September 2024 | 667,325 | 787,300 | 24,762 | 1,479,387 |
| Additions | 390,630 | 267,746 | - | 658,376 |
| Disposals | - | (18,493) | - | (18,493) |
| At 31 August 2025 | 1,057,955 | 1,036,553 | 24,762 | 2,119,270 |
| Depreciation | | | | |
| At 1 September 2024 | 620,354 | 599,215 | 2,063 | 1,221,632 |
| Charge for year | 14,032 | 61,247 | 4,952 | 80,231 |
| Disposals | - | (18,493) | - | (18,493) |
| At 31 August 2025 | 634,386 | 641,969 | 7,015 | 1,283,370 |
| Net book value | | | | |
| At 31 August 2025 | 423,569 | 394,584 | 17,747 | 835,900 |
| At 31 August 2024 | 46,971 | 188,085 | 22,699 | 257,755 |

Within leasehold improvements and plant and machinery, assets amounting to £372,339 and £151,962 (2024: £nil) respectively relate to the newly built training centre. These assets have not been depreciated as the centre will only become operational in the 2025/26 academic year.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

11 TANGIBLE FIXED ASSETS (continued)

Included within plant and machinery are assets with a carrying value of £122,453 (2024 purchased using Apprenticeship Growth Pilot funding). Under the funding terms, legal title to these assets currently rests with the Department for Education and will transfer to the charity after two years from purchase. The charity has full use and control of the assets during this period and is required not to dispose of them before title passes. On this basis, the trustees consider it appropriate to recognise the assets on the balance sheet.

12 DEBTORS

| | 2025 | 2024 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 101,743 | 80,534 |
| Prepayments and accrued income | 2,731,674 | 2,583,834 |
| Other debtors | 3,541 | 666 |
| | <u>2,836,958</u> | <u>2,665,034</u> |

Included with accrued income is £1,168,070 (2024 - £1,186,552) due in more than one year.

13 CREDITORS

| | Note | 2025 | 2024 |
|------------------------------|------|----------------|----------------|
| | | £ | £ |
| Due within one year | | | |
| Loans and borrowings | 14 | 44,265 | 25,000 |
| Trade creditors | | 134,803 | 39,291 |
| Taxation and social security | | 56,758 | 47,971 |
| Accruals and deferred income | | 84,688 | 55,204 |
| Other creditors | | 313,587 | 410,650 |
| | | <u>634,101</u> | <u>578,116</u> |
| Due after one year | | | |
| Loans and borrowings | 14 | 95,415 | 22,917 |
| Dilapidations provision | | 175,000 | 175,000 |
| Other creditors | | 445,987 | 621,818 |
| | | <u>716,402</u> | <u>819,735</u> |

14 LOANS AND BORROWINGS

| | 2025 | 2024 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Due within one year | | |
| Bank loans | 44,265 | 25,000 |
| | <u>44,265</u> | <u>25,000</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

14 LOANS AND BORROWINGS (continued)

| | 2025 | 2024 |
|---------------------------|--------|--------|
| | £ | £ |
| Due after one year | | |
| Bank loans | 95,415 | 22,917 |
| | 95,415 | 22,917 |
| | 95,415 | 22,917 |

During 2021 the Charitable Company drew down a loan under the Coronavirus Business Interruption Loan Scheme. The loan is repayable by instalments and incurs interest after 12 months at 2.75%. The loan is secured over the assets of the Charitable Company. Bank loans are secured by an unlimited debenture incorporating a fixed and floating charge.

On 1 January 2025, the Charitable Company entered into an unsecured loan agreement to finance the fit-out of a newly leased property. The loan accrues interest at a fixed rate of 10% per annum and is repayable by instalments over the term of the agreement. The loan is scheduled to be fully repaid by 1 January 2030.

15 SHARE CAPITAL

The Charitable Company does not have any share capital as it is limited by guarantee. Each of the trustees is a guarantor to the extent of £20 in the event of the Charitable Company being wound up whilst they are trustees, or within one year of them ceasing to be trustees in respect of debts and liabilities contracted before they ceased to be a member.

16 FUNDS

| | At 1 September 2024 | Income | Expenditure | Transfers between funds | At 31 August 2025 |
|-------------------------------|---------------------------|-----------|-------------|-------------------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| - Retained surplus | 1,240,495 | 3,449,909 | (3,423,086) | 393,534 | 1,660,852 |
| - Designated funds | 779,899 | 25,563 | - | - | 805,462 |
| Restricted funds | | | | | |
| - Gene Haas Foundation | - | 523,653 | - | (276,534) | 247,119 |
| - Apprenticeship Growth Pilot | - | 117,000 | - | (117,000) | - |
| | 2,020,394 | 4,116,125 | (3,423,086) | - | 2,713,433 |
| | 2,020,394 | 4,116,125 | (3,423,086) | - | 2,713,433 |

Unrestricted funds

Retained surplus relates to net surpluses accumulated by the Charitable Company and are retained to provide working capital.

Designated funds consist of training support funds that were previously listed under other creditors which, after a change in the shortfall deposit process in 2022, have now been ringfenced by GET to support the future stability and growth of the Charitable Company. Over the coming years, this value is planned to increase to £1.2m to cover the additional costs of training.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

16 FUNDS (continued)

Restricted funds

- Gene Haas Foundation

Restricted income relates to a grant of \$675,000 received to fund the construction and development of the Gloucestershire Training Centre, specifically for the establishment of the Gene Haas Centre for Advanced Manufacturing. Funds are restricted to construction and development purposes only. During the year, £523,653 was recognised as income, with £286,534 transferred to unrestricted funds for related expenditure. At the year end, £247,119 remained as accrued restricted income.

- Apprenticeship Growth Pilot

The Charitable Company received £117,000 under the Apprenticeship Growth Pilot to support capital investment for delivering high-quality apprenticeships in growth sectors. The funds were fully spent on capital items, with no expenditure through the Statement of Financial Activities; therefore, a transfer from unrestricted funds was made to bring the restricted fund balance to £Nil.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2025 are represented by:

| | Retained surplus £ | Designated funds £ | Restricted funds £ | Total Funds £ |
|-------------------------|--------------------------|--------------------------|--------------------------|---------------------|
| Fixed assets | 849,767 | - | - | 849,767 |
| Current assets | 2,161,588 | 805,462 | 247,119 | 3,214,169 |
| Current liabilities | (634,101) | - | - | (634,101) |
| Non-current liabilities | (716,402) | - | - | (716,402) |
| Total net assets | 1,660,852 | 805,462 | 247,119 | 2,713,433 |

Comparative information in respect of the preceding period is as follows:

| | Retained surplus £ | Designated funds £ | Restricted funds £ | Total Funds £ |
|-------------------------|--------------------------|--------------------------|--------------------------|---------------------|
| Fixed assets | 263,222 | - | - | 263,222 |
| Current assets | 2,375,124 | 779,889 | - | 3,155,023 |
| Current liabilities | (578,116) | - | - | (578,116) |
| Non-current liabilities | (819,735) | - | - | (819,375) |
| Total net assets | 1,240,495 | 779,889 | - | 2,020,394 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

18 OTHER FINANCIAL COMMITMENTS

As at 31 August 2025 the following annual commitments were held under non-cancellable agreements:

| 2025 | Land and buildings £ | Other £ | Total £ |
|----------------------------|---------------------------------|--------------------|--------------------|
| Expiry date: | | | |
| Within one year | 289,051 | 6,426 | 295,477 |
| Between two and five years | 588,890 | 4,938 | 593,828 |
| Over 5 years | 362,910 | - | 362,910 |
| | <u>1,240,851</u> | <u>11,364</u> | <u>1,252,215</u> |
| 2024 | Land and buildings £ | Other £ | Total £ |
| Expiry date: | | | |
| Within one year | 215,085 | 7,284 | 222,369 |
| Between two and five years | 526,872 | - | 526,872 |
| Over 5 years | 120,000 | - | 120,000 |
| | <u>861,957</u> | <u>7,284</u> | <u>869,241</u> |

The amount of non-cancellable land and buildings operating lease payments and other lease payments recognised as an expense during the year was £247,192 (2024 - £214,198) and £10,498 (2024 - £9,435) respectively.

19 DEFINED PENSION CONTRIBUTION SCHEME

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £86,370 (2024 - £87,517).

20 RELATED PARTIES

Several members of the Board of Governors are employed by companies that use GET for their apprenticeship, higher/further education and skills training. All transactions involving these companies are conducted in accordance with the charity's financial regulations and procedures which supports the distance required to avoid any conflicts of interest.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED

England & Wales - Charity number 273571

Accounts

Company Number: 01300119

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED
(By Guarantee)**

FINANCIAL STATEMENTS

31 August 2024

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GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHARITY INFORMATION
For the year ended 31 August 2024

Reference and Administrative Information

Charity Name: Gloucestershire Engineering Training Limited
Charity Registration Number: 273571
Company Registration Number: 01300119
Registered Office and
Operational Address: Barnwood Point, Corinium Avenue, Gloucester, GL4 3HX

Board of Governors

Appointment date

| | |
|----------------------------------|------------|
| J Brearley | 29/11/1991 |
| C Biggin (resigned 16/05/2024) | 10/02/2015 |
| T Southgate | 01/06/2018 |
| A Powell (resigned 31/10/2024) | 01/02/2019 |
| A Kinder | 01/08/2019 |
| I Henderson | 11/10/2019 |
| S Biggs | 05/08/2021 |
| R Grey | 18/01/2022 |
| J Farrington | 03/10/2022 |
| H Gardiner (resigned 12/09/2024) | 03/10/2022 |
| L Marley | 19/09/2023 |
| M Bailey | 30/07/2024 |
| G Miller (resigned 14/11/2023) | 25/11/2015 |

Company Secretary

| | |
|------------------------------|------------|
| R Hill (resigned 19/11/2024) | 06/09/2021 |
| W Thomas | 19/11/2024 |

Chief Executive

| | |
|----------|------------|
| W Thomas | 06/09/2021 |
|----------|------------|

Senior Management Team

| | |
|--------------|--------------------------------|
| W Thomas | Chief Executive Officer |
| E Phelpstead | Learner Services Manager |
| R Hoyland | Finance Manager |
| C Spender | Academic Manager |
| I Mustoe | Quality Manager |
| L Jones | EPA & Skills Manager |
| J Weatherley | Training & Maintenance Manager |
| G Miller | Centre Manager Forest of Dean |
| D Hernon | Skills & Development Manager |
| J Roberts | Business Engagement Lead |

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
GL1 1NU

Auditors

Hazlewoods LLP
Staverton Court
Cheltenham
GL51 0UX

Solicitors

Davies & Partners
Rowan House
Barnwood
Gloucester
GL4 3RT

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRPERSON'S REPORT
For the year ended 31 August 2024

CHAIRPERSON'S REPORT 2023-2024

Academic year 2023 /24 has seen GET return to normal operational numbers around recruitment and delivery. Following on from 2022/2023 where we saw growth in apprenticeship numbers, HE and commercial training opportunities. Currently we have 10 learners who are out of the apprenticeship funding, however we have successfully supported a further 99 through End Point Assessment. GET has developed and adapted significantly in its operational approach to ensure the Apprentices were trained to support our employer succession planning. Academic year 2023/2024 has an increased intake of Apprentices (138), Level 4 (34), Level 3 (104) across our Barnwood and Cinderford sites, and a new cohort of 39 HE learners start on HNC/D.

It is hard to believe that we had our Ofsted inspection over a year ago, where we achieved a Good grade but were very close to being rated Outstanding. We have continued to improve on the feedback provided to ensure we achieve an outstanding grade at the next inspection cycle, this has included updating our business functions, delivery planning as well as updating our board to become a board of governors with the focus on the quality of education and safeguarding. This has been enhanced with our reporting platform called five streams which reports on the quality of education, behaviour & attitudes, personal development, leadership & management which are underpinned by safeguarding and finance.

The appointment of a Training & Maintenance Manager has enabled GET to grow our commercial skills offering, creating more bespoke training packages to meet our employer needs around welding& fabrication, machining, electrical safety and electronics to name but a few. We have also seen a steady increase in the delivery of direct NVQs in the workplace to support current staff in employment. GET also purchased a vehicle to support the centre's at Barnwood and Cinderford with our logistical needs. We decided to have the van branded which has supported marketing and we have had several business interventions from this.

Our satellite centre in the Forest of Dean welcomed our first cohort of 11 apprentices for training in September 2023. The main aim of the project is to reduce our carbon footprint and to support the young Apprentices in the Forest, with the logistical challenge of getting into Barnwood. Many are aged between 16-17 and non-drivers, who are reliant on public transport which has not been the best. This allows the first years from the Forest to complete the Level 2 practical skills nearer home and attend GET on a day release basis in Years 2 and 3. We have 20 learners joining us at the Cinderford site in September 2024, some of our employers requested we adapt our delivery method at short notice to include the new learners attending the academic delivery at Barnwood to ensure that all their learners progressed at the same speed. This was achieved and the delivery model has now been updated to be four days at the Cinderford site and one day in Barnwood.

There has most definitely been an improvement in the apprenticeship cohort as we did notice significant challenges with previous intakes due to the school closures and CAG's (Centre Assessments Grades) which had a negative impact on our learners' both academically and socially. The academic qualification has proved a challenge for some learners, where there have been several learners fail their Math's and Materials units. GET has however provided support to ensure most of the learner's progress. Higher Education learners continue to progress on a positive trajectory which is great news.

There have been agreements to provide additional paid support for learners this academic year at both Level 2 or Level 3 Technical Certificate and practical delivery. Just 1 learner failed one or more modules of their HNC/D. A very big improvement in comparison to the previous two Academic years, which is thanks to the dedication of the Academic Team and the support of the employers.

As always, a review of the delivery year was undertaken, with measures put in place to avoid similar issues with learners failing. We have adapted the curriculum delivery plan and allocated sessions at the end of the year to support those learners who were close to passing.

Positively, all timetabled delivery for the practical delivery was successfully completed by the last week in July. Thanks to the dedication and support of the Staff within the Practical Delivery Team, all the learners can now progress to the development (Level 3) stage of their Apprenticeship.

Financially, as anticipated, we have performed extremely well this academic year, with surplus of £551,757. Recruitment for 2024/2025 has been very positive, with the biggest intake to date Level 3 Apprentices (105 in Barnwood and 20 in Forest of Dean) and Level 4 Apprentices (29), a total of 154 Apprentices and 54 new Higher Education learners added to the current groups of HE learners.

Although the average number of Staff has remained the same year on year, we have successfully recruited two additional Academic Tutors, two Instructors. We continue with our succession planning for staff to ensure we have strength in depth moving forward.

GET won the Training champion skills partner award at the UK Engenuity awards in June, this is in recognition of the outstanding work done to support and develop the future engineers in the UK. This award also recognises our continuous improvement and investment in our staff and equipment at the centre.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRPERSON'S REPORT
For the year ended 31 August 2024

We are very mindful of the external pressures around the economy and continue to monitor and discuss any implications with our trusted employer partners on a regular basis, this supports our regular business plan and strategy review. This also included the new education reforms around technical education and the current review of the apprenticeship standards. Part of this strategy is growth of the HE delivery to support the demand from learners and employers. We have very recently agreed to take on the lease of unit 2.4 which will enable GET to grow the total number of HE learners to 240 from the current 130 which has been restricted due to space.

We have continued to repay our shortfall deposit deficits with all employers and have a payment plan in place with two of our customers. This was done to reduce the company's liabilities and finance future growth; we have agreed with employers for them to stop paying shortfall deposits and in return GET will ringfence their outstanding refunds as designated to offset the Year 1 Apprenticeship funding deficit and to finance growth. We have agreed an interest free loan with one of our employer partners to return the shortfall deposits over a period of ten years, The shortfall deposit liability has reduced £125,710 year on year.

It has been a challenging year for everyone, but as a training provider we have made significant strides forward. I want to thank all the Staff at GET for their continued hard work, efforts, and commitments during these extremely busy but positive times. I would also like to thank all our customers and Board of Governors for their patience, input and ongoing support.

Well done and a big thank you.

Rob Grey
Chairperson
Gloucestershire Engineering Training

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2024

The Board of Governors presents its report, including the Directors' Report as required by the Companies Act 2006 and the Trustees annual report as required by the Charities Act 2011, and audited financial statements for the year ended 31 August 2024.

Structure, Governance and Management

Governance Document

The organisation is a charitable company limited by guarantee. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the Charitable Company being wound up trustees are required to contribute an amount not exceeding £20.

Recruitment and Appointment of Board of Governors

The Directors of the Charitable Company are also charity trustees for the purposes of charity law and under the Company's Articles of Association are known as trustees of the Board of Governors. Under the requirements of the Memorandum and Articles of Association membership will automatically terminate three years from the date of admission to membership. Members may then reapply as provided in article 10(2). (The wording of 10(2) is below).

10(2) Membership is open to organisations/companies which are engaged in industry, engineering, manufacturing or commerce and who:

- a) Apply to the charity in the form required by the Directors; and
- b) Are approved by the Directors.

The Board of Governors consists of a Chairperson and Vice Chairperson, the minimum number of Directors shall be 4 and the maximum shall be 12 and the majority of the Board must be "Industry Directors".

To qualify for appointment as a Director a person must:

- a) be employed by or be a Director of a company or organisation involved in industry, engineering manufacturing or commerce; or
- b) have previously worked in industry, engineering manufacturing or commerce for a number of years so as to have extensive experience of such sectors; or
- c) have professional or other relevant skills ("Independent Directors").

Board of Governors Induction and Training

As direct customers and users of the Charitable Company's training and development resource, in-coming Directors are generally familiar with the operational goals and principles of the Association. Those who are not are provided with an appropriate induction.

Risk Management

The major risk to which the Charitable Company is exposed is the reduction in Government funding. The Board of Governors monitor and evaluate this and other risks by holding regular Board meetings. Budgets are prepared and updated to predict possible losses arising from these risks.

Organisational Structure

The Charitable Company is divided into four departments: Learner Services Team, Skills Development Team, Practical Delivery Team, and Academic Delivery Team. The day-to-day management of the Charitable Company rests with the CEO, with delegated responsibilities to the Senior Management Team. The Learner Services, Finance and IT Team provides support services throughout the organisation. The Skills Development Team reviews, internally quality assures the learner portfolios and prepares the learner for End Point Assessment, with the support of the employer to ensure that the apprenticeship programme is achieved. The Practical Delivery Team provides off the job training on the workshop whereas the Academic Team provide the classroom-based elements which includes our commercial HE offering and functional skills. All teams are now working far closer together within the organisation to meet the needs of the apprenticeship standard and individual learner journal.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2024

As a Charity we regularly benchmark our remuneration and benefits packages against a variety of measures – firstly we look at the local market rates by comparing our salaries and T&Cs against our competitors, we look at benchmarking against other Group Training Associations (GTA) across the UK and use national statistics from public research (KPMG etc.). We aim to make sure we are at least competitive and are paying the market rates but also need to make our offer attractive without being overly excessive to the market position. This activity is completed internally by HR and the CEO and presented and discussed at Board level. Board directors who have a suitable background have also carried out these reviews as a supporting measure.

External Stakeholders

Gloucestershire Engineering Training Limited is audited by the Department of Education (DofE), Education and Skills Funding Agency (ESFA), Office for standards in education (Ofsted) and Education Awarding Organisations (Aos) in order to deliver approved Apprenticeship Standards.

Objectives and Strategies

The Memorandum and Articles of Association of the Charitable Company state that the objects for which the Charitable Company is established are:

- i) to promote and advance adequate training of persons employed or intending to be employed in industry and commerce.
- ii) subject to the foregoing object, to extend such training to members of the public generally.

The objectives are achieved by the provisions of a training centre, offering both the Skills and Knowledge aspects of the programme, and contracts with each Employer. The contracts are funded by the Apprenticeship Levy for full Apprenticeships or on a commercial basis for Skills training. There have been no major policy changes during the year.

Strategic Report

Achievements and Performance

Given the challenges we have faced over the last thirty-six months, the Trustees think it is commendable how the organisation and the staff within have adapted and grown the business and opened a satellite centre within the Forest of Dean.

Practical Delivery – the training year ended on time a high number of first year learners completed their training, 98 out of the 102 recruited passing. The learners who were not successful were withdrawn from the apprenticeship scheme by their employers for failing to meet the behavioural requirements of the apprenticeship programme. Some learners finished slightly earlier and returned to their employer's premises ahead of the revised date or were given additional free training to support the stretch in their development. The 15 level 2 apprentices are progressing well and 13 have completed their end point assessment (EPA).

Academic Delivery – the Academic delivery finished as planned. We have most definitely noticed a difference in abilities of the younger apprentices this academic year. Far more support sessions have been provided over the last twelve months, particularly in areas such as Mathematics and materials for the level 3 apprentices.

Failure rates for the academic year 2023-2024 have improved significantly. Learners who unfortunately failed modules were given the opportunity to repeat the training at the end of the academic year or return for a short period in September 2024. The failures were down the learners' attitude and engagement or in some instances capability or poor retention. Apprenticeship success rates at GET did drop as low as 67%, with the national average as low as 53.4%, this was due to leaver and the delay in completing EPA, however these are now increasing very rapidly to the level we are accustomed to, and we have a completion rate of 89.2%.

Skills Development Team – A high volume of work was carried out to keep learners progressing, the recruitment of dedicated staff to support EPA has been very positive, staff have provided well above and beyond the requirements of the on-programme training. We have supported employers with more engagement visits and provided support for EPA, such as interview techniques and reviewing learner EPA submission documents.

There is still a delay in learners who need to complete EPA (End Point Assessment), 46 currently. The team is working hard with the employers to get the apprenticeships completed and we have recruited a further member of staff within the team to support this and support with succession planning.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2024

HE numbers interestingly have also seen a significant increase, with more learners following a level 4 apprenticeship route to complete their HNC/D. The commercial training aspect at GET continues to grow in both skills training and direct NVQs, and the appointment of a skills and maintenance manager has supported this continued growth.

We have been able to show more commitment to our charitable objectives this year and have provided support for two external organisations as well as supporting employing an individual with academic learning limitations.

Financial Review

The budget for 2023-2024 predicted a surplus of £324k. 6 months into the year, we provided a reforecast for the remainder of the year and made a small adjustment to end the year with a budgeted surplus of £299k.

We ended 2023-2024 with a net surplus on unrestricted funds of £552k, £252k higher than the forecast mainly due to the annual accrued income adjustment for leavers of £188k and additional commercial sales income. During this financial year, the shortfall deposit reserve has increased by a further £50k to £780k with a further two companies signing contracts to transfer balances.

Overall, this has resulted in an increase to reserves of £602k (see note 16) which supports GET's initiative to build a £1.2m reserve to cover the year 1 additional costs, as well as to provide future financial stability & continuity.

The 2024-2025 training year has started very well with 154 learners starting their apprenticeships (123 Level 3 & 31 Level 4) at GET in September 2024 and, together with the successes of this year, we are expecting to end 2024-2025 with a surplus of £287k.

Principal Funding Sources

The principal funding source is primarily our employer customer base supported by the Education and Skill Funding Agency funding for Apprenticeships in the main via the Apprenticeship Levy. All businesses regardless of size are supported by the apprenticeship levy, either via 5% contribution from the employer or co-investment approach.

We understand the requirements under Charity regulations to disclose our involvement in fundraising. The Charity is not involved in such activities as all monies are generated from commercial activities and charitable activities funded by local employers, supported by government funding. The Charitable Company does not have any volunteers.

Investment Policy

The Charitable Company does not have an investment portfolio. All funds are held in bank deposit accounts and monitored regularly by the Board.

Reserves Policy

The total funds of the Company were £2,020k (2023: £1,419k). The designated funds of £780k (2023: £730k) will be used to support the future stability and growth of the Company.

The Trustees reserves policy is to build and have sufficient funds to cover 3 to 6 months' operating costs if apprenticeship funding ceased to exist. At 31 August 2024, the total unrestricted reserve, excluding designated funds was £1,240k (2023: £689k) with fixed assets valued at £263k (2023: £292k) resulting in free reserves of £977k (2023: £397k), which is comfortably within this range. We also have designated funds to finance what were the shortfall deposits from employers and provide financial security to the charitable organisation.

Plans for Future Periods

A new 10-year lease has been agreed with a 5 year break out option for unit 2.4, with the following agreed as part of our Strategy and Business Plan:

- Increase the number of Apprentices undertaking the Level 3 programme to 140
- Convert the majority of our Commercial HE on to Level 4 Apprenticeship programs.
- We are still considering an increase to the number of learners in academic sessions from 12-16.
- Continue to grow and improve our commercial offering, which has shown very positive growth in 2022/23
- Identify new income opportunities such as delivering more commercial academic courses such as CAD-Computer aided design, Abrasive wheels.
- Consideration to evening delivery to support commercial training around welding and electrical safety
- Forest of Dean GET site now operational, and we are 18 months into our 10-year lease and presently have 19 Year 1 Level 3 apprentices.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
GOVERNOR'S REPORT
For the year ended 31 August 2024

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

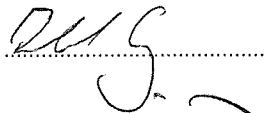
Statement of Disclosure to Auditor

- a) so far as the trustees of the Management Board are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- b) they have taken all steps that they ought to have taken as trustees of the Management Board in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

R Grey
Chairperson



A Kinder
Vice Chairperson



Date: 16/01/2025

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF BOARD OF GOVERNOR'S RESPONSIBILITIES OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2024

The Board of Governors are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the charities SORP (Accounting and Reporting by Charities – Statement of Recommended Practice).
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board of Governors 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2024

Opinion

We have audited the financial statements of Gloucestershire Engineering Training Limited (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2024

Matters on which we are required to report by exception

In the light of the 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 included in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of Trustees

The Trustees are responsible for the other information. As explained more fully in the Board of Governor's Responsibilities statement set out on page 8 the Trustees (who are also the Directors of the 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We considered the nature of the charitable company's industry and its control environment and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act, UK Charities Act, Charity SORP, Independent Training Providers Handbook and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.


GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE BOARD OF GOVERNORS OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2024

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Felicity Sang
(Senior Statutory Auditor)

For and on behalf of:
Hazlewoods LLP
Chartered Accountants and Statutory Auditors
Staverton Court
Cheltenham
GL51 0UX

Date: 17/11/2025

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 August 2024

| | Note | Unrestricted funds | Designated funds | Total Funds | |
|--|------|--------------------|------------------|------------------|--------------------|
| | | | | 2024 | 2023 |
| | | £ | £ | £ | (As restated) £ |
| Income from charitable activities | | | | | |
| - Practical Delivery | 3 | 1,430,745 | - | 1,430,745 | 1,115,320 |
| - Academic | 3 | 1,510,741 | - | 1,510,741 | 1,113,005 |
| - Skill development advisors | 3 | 851,187 | - | 851,187 | 745,140 |
| - Other income | 3 | - | 50,117 | 50,117 | 25,921 |
| | | <u>3,792,673</u> | <u>50,117</u> | <u>3,842,790</u> | <u>2,999,386</u> |
| Investment income | | | | | |
| Interest receivable | | 12,225 | - | 12,225 | 8,379 |
| | | <u>12,225</u> | <u>-</u> | <u>12,225</u> | <u>8,379</u> |
| Total income | | <u>3,804,898</u> | <u>50,117</u> | <u>3,855,015</u> | <u>3,007,765</u> |
| Expenditure on charitable activities | | | | | |
| - Practical Delivery | 4 | 1,392,947 | - | 1,392,947 | 1,199,305 |
| - Academic | 4 | 1,189,479 | - | 1,189,479 | 1,061,787 |
| - Skill development advisors | 4 | 670,717 | - | 670,717 | 633,154 |
| | | <u>3,253,143</u> | <u>-</u> | <u>3,253,143</u> | <u>2,894,246</u> |
| Total expenditure | 4 | <u>3,253,143</u> | <u>-</u> | <u>3,253,143</u> | <u>2,894,246</u> |
| Net surplus for the year | | 551,755 | 50,117 | 601,872 | 113,519 |
| Fund balances brought forward at beginning of year | | 688,740 | 729,782 | 1,418,522 | 1,305,003 |
| | | <u>688,740</u> | <u>729,782</u> | <u>1,418,522</u> | <u>1,305,003</u> |
| Fund balance carried forward at end of year | | <u>1,240,495</u> | <u>779,899</u> | <u>2,020,394</u> | <u>1,418,522</u> |

The Statement of Financial Activities includes all gains and losses in the year therefore a statement of recognised gains and losses has not been prepared.

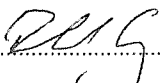
All income and expenditure is derived from continuing activities.

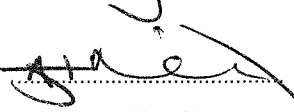
GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL POSITION
For the year ended 31 August 2024

| | Note | Total Funds | |
|--|------|-------------|-----------|
| | | 2024 | 2023 |
| | | £ | £ |
| FIXED ASSETS | | | |
| Intangible assets | 10 | 5,467 | 7,067 |
| Tangible assets | 11 | 257,755 | 284,756 |
| | | <hr/> | <hr/> |
| | | 263,222 | 291,823 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 2,665,034 | 2,196,770 |
| Cash at bank and in hand | | 489,989 | 610,638 |
| | | <hr/> | <hr/> |
| | | 3,155,023 | 2,807,408 |
| CREDITORS | | | |
| due within one year | 13 | (578,116) | (740,766) |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 2,576,907 | 2,066,642 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,840,129 | 2,358,465 |
| CREDITORS | | | |
| due after more than one year | 13 | (819,735) | (939,943) |
| | | <hr/> | <hr/> |
| NET ASSETS | | 2,020,394 | 1,418,522 |
| | | <hr/> | <hr/> |
| TRUSTEES' FUNDS | | | |
| Unrestricted funds | | | |
| Retained surplus | 16 | 1,240,495 | 688,740 |
| Designated funds | 16 | 779,899 | 729,782 |
| | | <hr/> | <hr/> |
| | | 2,020,394 | 1,418,522 |
| | | <hr/> | <hr/> |

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102.

Approved by the Board and authorised for issue on 16th January 2025.


.....
R Grey – Chairperson


.....
A Kinder – Vice Chairperson

Company number: 01300119

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2024

| | Note | 2024 £ | 2023 £ |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net movement in funds | | 601,872 | 113,519 |
| Adjustments to cash flow from non-cash items: | | | |
| Depreciation and amortisation | 4,5 | 83,774 | 73,764 |
| Loss on disposal of fixed assets | 5 | - | (93) |
| Finance income | | (12,225) | (8,379) |
| Finance and hire purchase costs | | 3,306 | 4,106 |
| | | 676,727 | 182,917 |
| Working capital adjustments: | | | |
| Increase in debtors | | (468,440) | (164,355) |
| Decrease in creditors | | (247,815) | (69,674) |
| Net cash flow from operating activities | | (39,528) | (51,112) |
| Cash flows from investing activities | | | |
| Interest received | | 12,225 | 8,379 |
| Acquisitions of fixed assets | 10,11 | (55,173) | (149,326) |
| Net cash flows from investing activities | | (42,948) | (140,947) |
| Cash flows from financing activities | | | |
| Hire purchase interest | | (1,727) | (1,884) |
| Loan interest | | (1,579) | (2,222) |
| Movements in finance leases | | (9,867) | (10,764) |
| Repayment of loans | | (25,000) | (25,000) |
| Net cash flows from financing activities | | (38,173) | (39,870) |
| Net movement in cash and cash equivalents | | (120,649) | (231,929) |
| Cash and cash equivalents at 1 September | | 610,638 | 842,567 |
| Cash and cash equivalents at 31 August | | 489,989 | 610,638 |

Analysis of changes in net debt

| | At 1 September 2023 £ | Cash flows £ | Other non-cash changes £ | At 31 August 2024 £ |
|----------------------------------|--------------------------------|-----------------|-----------------------------------|------------------------------|
| Cash and cash equivalents | | | | |
| Cash | 610,638 | (120,649) | - | 489,989 |
| Borrowings | | | | |
| Due within 1 year | (25,000) | 25,000 | (25,000) | (25,000) |
| Due after more than 1 year | (47,917) | - | 25,000 | (22,917) |
| Total net debt | 537,721 | (95,649) | - | 442,072 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

1 GENERAL INFORMATION

The company is a private Charitable Company limited by guarantee, registered in England and Wales.

The address of its registered office is:
Barnwood Point
Corinium Avenue
Gloucester
GL4 3HX

2 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

The presentational currency of the financial statements is Pound Sterling, being the functional currency of the primary economic environment in which the Charitable Company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Gloucestershire Engineering Training Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charitable Company to continue as a going concern. The trustees' make this assessment in respect of a period of at least one year from the date of approval of the financial statements. In making this assessment the trustees review forecasts prepared and consider the position of the Charitable Company at the date of signing the financial statements.

On review, the trustees' have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Format of Accounts

The Company is a registered charity and is not, therefore, a profit-making organisation. In the opinion of the Board of Governors, references required by the Companies Act 2006 to profits are misleading in the context of the Charitable Company's activities and have therefore been substituted by the term surplus where appropriate.

The Charitable Company has no costs which are directly attributable to sales and is therefore unable to adopt any of the statement of financial activities formats prescribed by the Companies Act 2006

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have been identified by management in preparing these financial statements.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

2 ACCOUNTING POLICIES (Continued)

Key sources of estimation uncertainty have been identified by management in preparing these financial statements as follows:

Shortfall deposits

The Charitable Company report shortfall deposits of £1,032,468 (2023: £1,159,178) on the balance sheet aged with regard to management's best estimate of the expected repayment periods of the shortfall deposits.

The discounting element is considered immaterial and therefore no adjustment has been made.

Dilapidation provision

A provision of £175,000 (2023: £175,000) is made in respect of costs that may be incurred at cessation of the property lease in order to return the property to the same state as when the lease was entered into. This estimate is based on management's review of dilapidation costs incurred on similar properties.

The discounting element is considered immaterial and therefore no adjustment has been made.

Accrued income

Accrued income of £2,512,335 (2023: £1,945,746) is recognised in respect of funding due to be received, as the Charitable Company provides learner training, based on historical achievement rates of apprentices.

Incoming Resources

Incoming resources represent fees receivable for training services provided by the Charitable Company during the year and is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable are recognised under the accrual model. They are held in creditors as deferred income until such time as the Charitable Company can be reasonably certain that the funds can be taken as revenue, rather than being repaid to the Government or passed on to sponsoring companies.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Intangible Fixed Assets

Software development costs are recognised at fair value at the acquisition date and have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets, less any estimated residual value, over their useful life as follows:

| | |
|----------------------------|-----------------------|
| Software development costs | 20% of cost per annum |
|----------------------------|-----------------------|

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation

Depreciation is calculated to write off the cost of tangible assets over their estimated useful lives at the following rates:

| | |
|------------------------------------|---------------------------|
| Improvements to leasehold property | Over 10 years |
| Plant and equipment | 10%-33% of cost per annum |
| Motor vehicles | 20% of cost per annum |

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than one month from the date of acquisition and that are readily convertible to know amounts of cash with insignificant risk of change in value.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

2 ACCOUNTING POLICIES (Continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charitable Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activity over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included within Other Costs.

Borrowings are classified as current liabilities unless the Charitable Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating Leases

The cost of operating leases has been charged to the statement of financial activities on a straight-line basis over the term of the term.

Hire Purchase

Assets acquired under hire purchase have been recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability has been included under creditors due within or after one year. The interest element is charged to the statement of financial activities and represents a constant proportion of the balance of capital repayments outstanding.

Resources Expended

All expenditure is accounted for under the accruals concept. The Charitable Company has only one main activity: the provision of training services. All costs, other than professional fees are allocated to the main charitable activity. Within the main charitable activity, costs are allocated across Practical, Academic and Assessment costs. These allocations are based on direct apportionment except for premises costs, which are allocated on approximate floor space and usage. Professional fees are allocated to governance costs.

Fund structure

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

Pensions

Contributions payable on behalf of employees to the defined contribution pension scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Reclassification of comparative amounts

Prior year income in relation to the write-offs of shortfall deposits have been reclassified to income from charitable activities as other income, as they are considered to be in the usual course of business. The reclassification has had no impact on the comparative results for the year or brought forward capital and reserves for the current year.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

3 INCOME

| 2024 | Practical Delivery £ | Academic £ | Skill development advisors £ | Other Income £ | Total £ |
|-----------------------------------|----------------------------|---------------|---------------------------------------|-------------------|------------|
| Government funded apprenticeships | 1,222,643 | 1,056,201 | 804,446 | - | 3,083,290 |
| Commercial courses | 208,102 | 454,540 | 46,741 | - | 709,383 |
| Other income | - | - | - | 50,117 | 50,117 |
| | 1,430,745 | 1,510,741 | 851,187 | 50,117 | 3,842,790 |

| 2023 | Practical Delivery £ | Academic £ | Skill development advisors £ | Other Income (As restated) £ | Total £ |
|-----------------------------------|----------------------------|---------------|---------------------------------------|------------------------------------|------------|
| Government funded apprenticeships | 1,041,002 | 740,559 | 680,939 | - | 2,462,500 |
| Commercial courses | 74,075 | 372,114 | 64,024 | - | 510,213 |
| Other income | 243 | 332 | 177 | 25,921 | 26,673 |
| | 1,115,320 | 1,113,005 | 745,140 | 25,921 | 2,999,386 |

All income relates to services provided.

During the year government funding income totalling £3,792,673 (2023 - £1,960,095) was received from the Education and Skill Funding Agency under the agreed training framework.

4 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Practical Delivery £ | Academic £ | Skill development advisors £ | 2024 Total £ | 2023 Total £ |
|-------------------------------|----------------------------|---------------|---------------------------------------|--------------------|--------------------|
| Staff costs | 622,711 | 635,253 | 414,753 | 1,672,717 | 1,575,477 |
| Building costs | 194,314 | 109,765 | 14,876 | 318,955 | 254,175 |
| Motor and travel | 1,640 | 44 | 3,007 | 4,691 | 4,530 |
| Depreciation and amortisation | 37,507 | 18,562 | - | 56,069 | 37,368 |
| Business support costs | 456,619 | 399,542 | 228,309 | 1,084,470 | 934,861 |
| Governance costs | 14,581 | 12,758 | 7,291 | 34,630 | 35,946 |
| Equipment costs | 48,109 | 2,728 | 496 | 51,334 | 36,349 |
| Other costs | 17,466 | 10,827 | 1,985 | 30,278 | 15,540 |
| 2024 | 1,392,947 | 1,189,479 | 670,717 | 3,253,143 | |
| 2023 | 1,199,305 | 1,061,787 | 633,154 | | 2,894,246 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

5 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charitable Company identifies the support and governance functions and the costs which relate to them. These costs are then allocated between the practical delivery, academic and skill development advisors departments by the number of employees in the department.

| | Business Support £ | Governance £ | 2024 Total £ | 2023 Total £ |
|-------------------------------|-----------------------------------|-------------------------|-----------------------------|-----------------------------|
| Staff costs | 563,938 | - | 563,938 | 522,521 |
| Building costs | 52,453 | - | 52,453 | 37,353 |
| Non reclaimable input VAT | 108,660 | - | 108,660 | 98,657 |
| Motor and travel | 10,547 | - | 10,547 | 3,277 |
| Depreciation and amortisation | 27,705 | - | 27,705 | 36,396 |
| Disposal of fixed assets | - | - | - | (93) |
| Equipment costs | 8,492 | - | 8,492 | 10,063 |
| Other costs | 312,675 | 34,630 | 347,305 | 262,633 |
| | <hr/> | | | |
| 2024 | 1,084,470 | 34,630 | 1,119,100 | |
| | <hr/> | | | |
| 2023 | 934,861 | 35,946 | | 970,807 |
| | <hr/> | | | <hr/> |

6 AUDITORS' REMUNERATION

| | 2024 £ | 2023 £ |
|-------------------------------------|-------------------|-------------------|
| Auditors' remuneration (net of VAT) | | |
| Costs of external scrutiny | 10,000 | 11,000 |
| Other financial services | 3,178 | 2,455 |
| | <hr/> | <hr/> |
| | 13,178 | 13,455 |
| | <hr/> | <hr/> |

7 STAFF COSTS

| | 2024 £ | 2023 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 1,890,970 | 1,766,898 |
| Social security costs | 192,124 | 181,292 |
| Pension costs | 87,517 | 68,492 |
| Other staff costs | 66,044 | 81,316 |
| | <hr/> | <hr/> |
| | 2,236,655 | 2,097,998 |
| | <hr/> | <hr/> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

8 STAFF COSTS (continued)

The Charitable Company operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. No contributions were outstanding at the end of the current or prior year.

Included within the wages and salaries are ex gratia payments totalling £18,311 (2023 - £nil).

The key management personnel of the Charitable Company comprise the Board of Governors and Senior Management Team as listed on page 1. The Board of Governors, being the trustees, received no remuneration or reimbursement of expenditure. The total amount of employee benefits (including employer pension contributions) received by the Senior Management Team for their services to the Company was £619,838 (2023 - £529,489).

| Key management personnel | 2024 | 2023 |
|--|-------------|-------------|
| The number of key management personnel | 12 | 10 |

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

| | 2024 | 2023 |
|---------------------------|-------------|-------------|
| £100,001 to £110,000 p.a | - | 1 |
| £110,001 to £120,000 p.a. | - | - |
| £120,001 to £130,000 p.a. | 1 | - |

The average number of employees was:

| | 2024 | 2023 |
|--|-------------|-------------|
| Senior Management Board (And CEO HR and Finance) | 7 | 7 |
| Business Support | 6 | 5 |
| Workshop (Practical delivery) | 14 | 14 |
| VRQ (Academic team) | 16 | 16 |
| Review Officers | 8 | 8 |
| | 51 | 50 |

9 TAXATION

As a registered charity the Charitable Company has no liability in respect of taxation.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

10 INTANGIBLE FIXED ASSETS

| | Software development costs £ |
|---|---|
| Cost | |
| At 1 September 2023 and at 31 August 2024 | 8,000 |
| Depreciation | |
| At 1 September 2023 | 933 |
| Charge for year | 1,600 |
| At 31 August 2024 | 2,533 |
| Net book value | |
| At 31 August 2024 | 5,467 |
| At 31 August 2023 | 7,067 |

11 TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Plant and machinery £ | Motor vehicles £ | Total £ |
|-----------------------|---|--------------------------------------|---------------------------------|--------------------|
| Cost | | | | |
| At 1 September 2023 | 663,663 | 785,293 | - | 1,448,956 |
| Additions | 3,662 | 26,749 | 24,762 | 55,173 |
| Disposals | - | (24,742) | - | (24,742) |
| At 31 August 2024 | 667,325 | 787,300 | 24,762 | 1,479,387 |
| Depreciation | | | | |
| At 1 September 2023 | 604,051 | 560,149 | - | 1,164,200 |
| Charge for year | 16,303 | 63,808 | 2,063 | 82,174 |
| Disposals | - | (24,742) | - | (24,742) |
| At 31 August 2024 | 620,534 | 599,215 | 2,063 | 1,221,632 |
| Net book value | | | | |
| At 31 August 2024 | 46,971 | 188,085 | 22,699 | 257,755 |
| At 31 August 2023 | 59,612 | 225,144 | - | 284,756 |

Included within plant and machinery are assets held under hire purchase leases with a net book value of £Nil (2023 - £10,233). The depreciation charged on these assets in the year was £8,382 (2023 - £8,382).

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

12 DEBTORS

| | 2024 | 2023 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 80,534 | 149,261 |
| Prepayments and accrued income | 2,583,834 | 2,046,667 |
| Other debtors | 666 | 842 |
| | <u>2,665,034</u> | <u>2,196,770</u> |

Included with accrued income is £1,186,552 (2023 - £791,870) due in more than one year.

13 CREDITORS

| | Note | 2024 | 2023 |
|---|-------------|----------------|----------------|
| | | £ | £ |
| Due within one year | | | |
| Loans and borrowings | 14 | 25,000 | 25,000 |
| Net obligations under finance lease and hire purchase contracts | 14 | - | 9,867 |
| Trade creditors | | 39,291 | 58,731 |
| Taxation and social security | | 47,971 | 45,461 |
| Accruals and deferred income | | 55,204 | 159,555 |
| Other creditors | | 410,650 | 442,152 |
| | | <u>578,116</u> | <u>740,766</u> |
| Due after one year | | | |
| Loans and borrowings | 14 | 22,917 | 47,917 |
| Dilapidations provision | | 175,000 | 175,000 |
| Other creditors | | 621,818 | 717,026 |
| | | <u>819,735</u> | <u>939,943</u> |

14 LOANS AND BORROWINGS

| | 2024 | 2023 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Due within one year | | |
| Bank loans | 25,000 | 25,000 |
| | <u>25,000</u> | <u>34,867</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

14 LOANS AND BORROWINGS (continued)

| | 2024 | 2023 |
|---|---------------|---------------|
| | £ | £ |
| Due after one year | | |
| Bank loans | 22,917 | 47,917 |
| Net obligations under finance lease and hire purchase contracts | - | - |
| | <u>22,917</u> | <u>47,917</u> |

Hire purchase liabilities are secured over the assets to which they relate.

During 2021 the Charitable Company drew down a loan under the Coronavirus Business Interruption Loan Scheme. The loan is repayable by instalments and incurs interest after 12 months at 2.75%. The loan is secured over the assets of the Charitable Company. Bank loans are secured by an unlimited debenture incorporating a fixed and floating charge.

15 SHARE CAPITAL

The Charitable Company does not have any share capital as it is limited by guarantee. Each of the trustees is a guarantor to the extent of £20 in the event of the Charitable Company being wound up whilst they are trustees, or within one year of them ceasing to be trustees in respect of debts and liabilities contracted before they ceased to be a member.

16 FUNDS

| | At 1 September 2023 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 August 2024 £ |
|---------------------------|--------------------------------|------------------|--------------------|------------------------------------|------------------------------|
| Unrestricted funds | | | | | |
| - Retained surplus | 688,740 | 3,804,898 | (3,253,143) | - | 1,240,495 |
| - Designated funds | 729,782 | 50,117 | - | - | 779,899 |
| | <u>1,418,522</u> | <u>3,855,015</u> | <u>(3,253,143)</u> | <u>-</u> | <u>2,020,394</u> |

Retained surplus relates to net surpluses accumulated by the Charitable Company and are retained to provide working capital.

Designated funds consist of training support funds that were previously listed under the other creditors which, after a change in the shortfall deposit process in 2022, have now been ringfenced by GET to support the future stability and growth of the Charitable Company. Over the proceeding years this value is planned to increase to £1.2m to cover the additional costs of training.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2024 are represented by:

| | Retained surplus £ | Designated funds £ | Total Funds £ |
|-------------------------|----------------------------------|----------------------------------|-----------------------------|
| Fixed assets | 263,222 | - | 263,222 |
| Current assets | 2,375,124 | 779,899 | 3,155,023 |
| Current liabilities | (578,116) | - | (578,116) |
| Non-current liabilities | (819,735) | - | (819,735) |
| Total net assets | 1,240,495 | 779,899 | 2,020,394 |

Comparative information in respect of the preceding period is as follows:

| | Retained surplus £ | Designated funds £ | Total Funds £ |
|-------------------------|----------------------------------|----------------------------------|-----------------------------|
| Fixed assets | 291,823 | - | 291,823 |
| Current assets | 2,077,626 | 729,782 | 2,807,408 |
| Current liabilities | (740,766) | - | (740,766) |
| Non-current liabilities | (939,943) | - | (939,943) |
| Total net assets | 688,740 | 729,782 | 1,418,522 |

18 OTHER FINANCIAL COMMITMENTS

As at 31 August 2024 the following annual commitments were held under non-cancellable agreements:

2024

| | Land and buildings £ | Other £ | Total £ |
|----------------------------|------------------------------------|-------------------|-------------------|
| Expiry date: | | | |
| Within one year | 215,085 | 7,284 | 222,369 |
| Between two and five years | 526,872 | - | 526,872 |
| Over 5 years | 120,000 | - | 120,000 |
| | 861,957 | 7,284 | 869,241 |

2023

| | Land and buildings £ | Other £ | Total £ |
|----------------------------|------------------------------------|-------------------|-------------------|
| Expiry date: | | | |
| Within one year | 214,198 | 9,435 | 223,633 |
| Between two and five years | 711,957 | 7,285 | 719,242 |
| Over 5 years | 150,000 | - | 150,000 |
| | 1,076,155 | 16,720 | 1,092,875 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

18 OTHER FINANCIAL COMMITMENTS (CONTINUED)

The amount of non-cancellable land and buildings operating lease payments and other lease payments recognised as an expense during the year was £214,198 (2023 - £184,198) and £9,435 (2023 - £10,568) respectively.

19 DEFINED PENSION CONTRIBUTION SCHEME

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £87,517 (2023 - £68,492).

20 RELATED PARTIES

Several members of the Board of Governors are employed by companies that use GET for their apprenticeship, higher/further education and skills training. All transactions involving these companies are conducted in accordance with the charity's financial regulations and procedures which supports the distance required to avoid any conflicts of interest.

No related party transactions took place in the period of accounts.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED

England & Wales - Charity number 273571

Accounts

Company Number: 01300119

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED
(By Guarantee)**

FINANCIAL STATEMENTS

31 August 2023

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GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

CHARITY INFORMATION

For the year ended 31 August 2023

Reference and Administrative Information

Charity name: Gloucestershire Engineering Training Limited
Charity registration number: 273571
Company registration number: 01300119
Registered office and operational address: Barnwood Point, Corinium Avenue, Gloucester, GL4 3HX

Management Board

Appointment date

| | |
|--------------------------------|------------|
| J Brearley | 29/11/1991 |
| C Biggin | 10/02/2015 |
| G Miller (resigned 14/11/2023) | 25/11/2015 |
| T Southgate | 01/06/2018 |
| A Powell | 01/02/2019 |
| A Kinder | 01/08/2019 |
| I Henderson | 11/10/2019 |
| S Biggs | 05/08/2021 |
| R Grey | 18/01/2022 |
| J Farrington | 03/10/2022 |
| H Gardiner | 03/10/2022 |
| L Marley | 19/09/2023 |

Company Secretary

R Hill 06/09/2021

Chief Executive

W Thomas 06/09/2021

Senior Management Team

| | |
|--------------|--------------------------------------|
| W Thomas | Chief Executive Officer |
| C Sterry | Head of Services (left October 2023) |
| E Phelpstead | Learner Services Manager |
| R Hoyland | Finance Manager |
| C Spender | Academic Manager |
| I Mustoe | Quality Manager (from July 2023) |
| L Jones | Skills & Development Manager |
| J Weatherley | Training & Maintenance Manager |

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
GL1 1NU

Auditors

Hazlewoods LLP
Staverton Court
Cheltenham
GL51 0UX

Solicitors

Davies & Partners
Rowan House
Barnwood
Gloucester
GL4 3RT

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

CHAIRMAN'S REPORT

For the year ended 31 August 2023

CHAIRPERSON'S REPORT 2022-2023

Following on from 2021/2022 which was very much a transition year post COVID, 2022/2023 has been a much-improved year for GET in terms of delivery, Apprenticeship on programme delivery and End Point Assessment completions. Currently we have 66 learners who are out of the Apprenticeship funding, however we have successfully supported a further 92 through End Point Assessment. GET has developed and adapted significantly in its operational approach to ensure the Apprentices were trained to support our employer succession planning. Academic year 2022/2023 has an increased intake of Apprentices (124), Level 4 (10), Level 3 (99) and Level 2 (15). In addition to the Apprentices, we had a new cohort of 54 HE learners start on HNC/D.

Another great milestone for GET was our Ofsted inspection. There has been a lot of press regarding the increased rigor of the new Education Inspection Framework and the challenging outcomes for a high number of colleges and independent training providers. GET achieved a "Good" grade for all areas, and we were only two minor points away from achieving Outstanding. Whilst this is a very positive outcome for us, there is clarity on the areas we need to improve upon which will be reflected in the SAR (Self-Assessment Report) and QIP (Quality Improvement Plan). One of these areas is the way we report the Quality of Education to our Board/Governors.

There has most definitely been an impact on the younger generation due to the closure of schools and CAG's (Centre Assessments Grades) have had a negative impact on our learners' both academically and socially and the outcomes and progression into Year 2 of the Technical Certificate, where there has been a high number of learners fail their Math's and Materials units. GET has however provided support to ensure most of the learner's progress. Higher Education learners have been far more successful over the last 12 months which is very positive news.

There have been agreements to provide additional paid support for learners this academic year at both Level 2 or Level 3 Technical Certificate and practical delivery. Just 5 learners failed one or more modules of their HNC/D. A very big improvement in comparison to the previous two Academic years, which is thanks to the dedication of the Academic Team and the support of the employers.

As always, a review of the delivery year was undertaken, with measures put in place to avoid similar issues with learners failing. We have adapted the curriculum delivery plan and allocated sessions at the end of the year to support those learners who were close to passing.

Positively, all timetabled delivery for the practical delivery was successfully completed by the first week in August. Thanks to the dedication and support of the Staff within the Practical Delivery Team, all the learners can now progress to the development (Level 3) stage of their Apprenticeship.

Financially, as anticipated, we have performed well this academic year, with surplus of £87,598. Recruitment for 2023/2024 has been very positive, with the biggest intake to date Level 3 Apprentices (93 in Barnwood and 11 in Forest of Dean) and Level 4 Apprentices (34), a total of 138 Apprentices and 39 new Higher Education learners added to the current groups of HE learners.

Although the average number of Staff has remained the same year on year, we have successfully recruited two additional Academic Tutors, two Instructors, two Skills & Development Advisors, a Quality Manager and a Learner Liaison Officer to support growth and succession planning due to retirement. Along with this recruitment drive we have agreed a succession plan to recruit two additional members of Staff every year for the next two years to support future retirements.

Commercial skills training is increasing with far more demand due to the appointment of a Training & Maintenance Manager, creating a more efficient operating model which has resulted in largely increased income, however external demand currently exceeds our capacity to deliver.

A satellite centre in the Forest of Dean has been identified and we have opened for training in September 2023. The main aim of the project is to reduce our carbon footprint and to support the young Apprentices in the Forest, with the logistical challenge of getting into Barnwood. Many are aged between 16-17 and non-drivers, who are reliant on public transport which has not been the best. This will allow the first years from the Forest to complete the Level 2 practical skills nearer home and only attend GET on a day release basis in Years 2 and 3.

We have now successfully managed the end of our shortfall deposit agreements with all but two of our customers. This was done to reduce the company's liabilities and finance future growth; we have agreed with employers for them to stop paying shortfall deposits and in return GET will ringfence their outstanding refunds as designated to offset the Year 1 Apprenticeship funding deficit and to finance growth. We have agreed an interest free loan with one of our employer partners to return the shortfall deposits over a period of ten years, with the first payment made in August 2023. The shortfall deposit liability has reduced £222,919 year on year.

It has been another demanding year for everyone, these difficulties are reducing on a weekly basis. I want to thank all the Staff at GET for their continued hard work, efforts, and commitments during these extremely busy and demanding times. I would also like to thank all our customers and Board of Directors for their patience and ongoing support.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

CHAIRMAN'S REPORT

For the year ended 31 August 2023

We are very mindful of the external pressures around the economy and continue to monitor and discuss any implications with our trusted employer partners on a regular basis, this supports our regular business plan and strategy review. This also included the new education reforms around technical education and the current review of the Apprenticeship standards.

Well done and a big thank you to everyone involved.

Tristram Southgate
Chairperson
Gloucestershire Engineering Training

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
For the year ended 31 August 2023

The Management Board presents its report, including the Directors' Report as required by the Companies Act 2006, and audited financial statements for the year ended 31 August 2023.

Structure, Governance and Management

Governance Document

The organisation is a charitable company limited by guarantee. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the Charitable Company being wound up trustees are required to contribute an amount not exceeding £20.

Recruitment and Appointment of Management Board

The Directors of the Charitable Company are also charity trustees for the purposes of charity law and under the Company's Articles of Association are known as trustees of the Management Board. Under the requirements of the Memorandum and Articles of Association membership will automatically terminate three years from the date of admission to membership. Members may then reapply as provided in article 10(2). (The wording of 10(2) is below).

10(2) Membership is open to organisations/companies which are engaged in industry, engineering, manufacturing or commerce and who:

- a) Apply to the charity in the form required by the Directors; and
- b) Are approved by the Directors.

The Management Board consists of a Chairperson and Vice Chairperson, the minimum number of Directors shall be 4 and the maximum shall be 12 and the majority of the Board must be "Industry Directors".

To qualify for appointment as a Director a person must:

- a) be employed by or be a Director of a company or organisation involved in industry, engineering manufacturing or commerce; or
- b) have previously worked in industry, engineering manufacturing or commerce for a number of years so as to have extensive experience of such sectors; or
- c) have professional or other relevant skills ("Independent Directors").

Management Board Induction and Training

As direct customers and users of the Charitable Company's training and development resource in-coming Directors are generally familiar with the operational goals and principles of the Association. Those who are not are provided with an appropriate induction.

Risk Management

The major risk to which the Charitable Company is exposed is the reduction in Government funding. The Management Board monitor and evaluate this and other risks by holding regular Board meetings. Budgets are prepared and updated to predict possible losses arising from these risks.

Organisational Structure

The Charitable Company is divided into four departments: Learner Services Team, Skills Development Team, Practical Delivery Team, and Academic Delivery Team. The day-to-day management of the Charitable Company rests with the CEO, with delegated responsibilities to the Senior Management Team. The Learner Services, Finance and IT Team provides support services throughout the organisation. The Skills Development Team reviews, internally quality assures the learner portfolios and prepares the learner for End Point Assessment, with the support of the employer to ensure that the apprenticeship programme is achieved. The Practical Delivery Team provides off the job training on the workshop whereas the Academic Team provide the classroom-based elements which includes our commercial HE offering and functional skills. All teams are now working far closer together within the organisation to meet the needs of the apprenticeship standard and individual learner journey.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

MANAGEMENT BOARD'S REPORT

For the year ended 31 August 2023

As a Charity we regularly benchmark our remuneration and benefits packages against a variety of measures – firstly we look at the local market rates by comparing our salaries and T&Cs against our competitors, we look at benchmarking against other Group Training Associations (GTA) across the UK and use national statistics from public research (KPMG etc.). We aim to make sure we are at least competitive and are paying the market rates but also need to make our offer attractive without being overly excessive to the market position. This activity is completed internally by HR and the CEO and presented and discussed at Board level. Very recently board directors who have a suitable background have also carried out these reviews as a supporting measure.

External Stakeholders

Gloucestershire Engineering Training Limited is audited by the Department of Education (DofE), Education and Skills Funding Agency (ESFA), Office for standards in education (Ofsted) and Education Awarding Organisations (Aos) in order to deliver approved Apprenticeship Standards.

Objectives and Strategies

The Memorandum and Articles of Association of the Charitable Company state that the objects for which the Charitable Company is established are:

- i) to promote and advance adequate training of persons employed or intending to be employed in industry and commerce.
- ii) subject to the foregoing object, to extend such training to members of the public generally.

The objectives are achieved by the provisions of a training centre, offering both the Skills and Knowledge aspects of the programme, and contracts with each Employer. The contracts are funded by the Apprenticeship Levy for full Apprenticeships or on a commercial basis for Skills training. There have been no major policy changes during the year.

Strategic Report

Achievements and Performance

Given the challenges we have faced over the last thirty-six months, the Trustees think it is commendable how the organisation and the staff within have adapted and grown the business and opened a satellite centre within the Forest of Dean.

Practical Delivery – the training year ended on time a high number of first year learners completed their training, 98 out of the 113 recruited passing. The learners who were not successful were withdrawn from the apprenticeship scheme by their employers for failing to meet the behavioural requirements of the apprenticeship programme. Some learners finished slightly earlier and returned to their employer's premises ahead of the revised date or were given additional free training to support the stretch in their development. The 15 level 2 apprentices are progressing well and three have completed their end point assessment (EPA).

Academic Delivery – the Academic delivery finished as planned. We have most definitely noticed a difference in abilities of the younger apprentices this academic year. Far more support sessions have been provided over the last twelve months, particularly in areas such as Mathematics and materials for the level 3 apprentices.

Failure rates for the academic year 2022-2023 have improved significantly. Learners who unfortunately failed modules were given the opportunity to repeat the training at the end of the academic year or return for a short period in September 2023. The failures were down the learners' attitude and engagement or in some instances capability or poor retention. Apprenticeship success rates at GET did drop as low as 67%, with the national average as low as 53.4%, this was due to leaver and the delay in completing EPA, however these are now increasing very rapidly to the level we are accustomed to, and we have a target to reach 85% plus.

Skills Development Team – A high volume of work was carried out to keep learners progressing, the recruitment of dedicated staff to support EPA has been very positive, staff have provided well above and beyond the requirements of the on-programme training. We have supported employers with more engagement visits and provided support for EPA, such as interview techniques and reviewing learner EPA submission documents.

There is still a delay in learners who need to complete EPA (End Point Assessment), 57 currently. The team is working hard with the employers to get the apprenticeships completed and we have recruited a further member of staff within the team to support this and support with succession planning.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
For the year ended 31 August 2023

HE numbers interestingly have also seen a significant increase, with more learners following a level 4 apprenticeship route to complete their HNC/D. The commercial training aspect at GET continues to grow in both skills training and direct NVQs, and the appointment of a skills and maintenance manager has supported this growth.

We have been able to show more commitment to our charitable objectives this year and have provided support for two external organisations as well as supporting some individuals to training at Barnwood.

Financial Review

The budget for 2022-2023 predicted a surplus of £329k. 6 months into the year, we provided a reforecast for the remainder of the year which saw this figure drop by £152k to end the year with a surplus of £177k. This reduction was mainly due to the timing of End Point Assessment completions and additional staff recruitment.

We ended 2022-2023 with a net surplus of £88k, £89k less than the forecast due to the annual accrued income adjustment for leavers being partly offset by salary savings from delayed recruitment. During this financial year, the shortfall deposit reserve has increased by a further £26k due to changes in the GET shortfall deposit arrangements.

The 2023-2024 training year has started very well with 137 learners starting their apprenticeships (Level 3 & 4) at GET in September 2023 and together with the successes of this year, we are expecting to end 2023-2024 with a surplus of £324k.

Principal Funding Sources

The principal funding source is primarily our employer customer base supported by the Education and Skill Funding Agency funding for Apprenticeships in the main via the Apprenticeship Levy. All businesses regardless of size are supported by the apprenticeship levy, either via 5% contribution from the employer or co-investment approach.

We understand the requirements under Charity regulations to disclose our involvement in fundraising. The Charity is not involved in such activities as all monies are generated from commercial activities and charitable activities funded by local employers, supported by government funding. The Charitable Company does not have any volunteers.

Investment Policy

The Charitable Company does not have an investment portfolio. All funds are held in bank deposit accounts and monitored regularly by the Board.

Reserves Policy

The Trustees reserves policy is to build and have sufficient funds to cover 3 to 6 months' operating costs if apprenticeship funding ceased to exist. Retained reserves are currently £689k, which is at the lower end of this range but we continue to work towards building up this reserve further. We also have designated funds to finance what were the shortfall deposits from employers and provide financial security to the charitable organisation.

Plans for Future Periods

A new 10-year lease has now been signed with a 5 year break out option, with the following agreed as part of our Strategy and Business Plan:

- Increase the number of Apprentices undertaking the Level 3 programme to an optimum number of 95-105 at Barnwood with current staffing levels.
- Convert the majority of our Commercial HE on to Level 4 Apprenticeship programs.
- Consideration to increasing the number of learners in academic sessions from 12-16.
- Continue to grow and improve our commercial offering, which has shown very positive growth in 2022/23
- Identify new income opportunities such as delivering more commercial academic courses such as CAD-Computer aided design, Abrasive wheels.
- Consideration to evening delivery to support commercial training around welding and electrical safety
- Forest of Dean GET site now operational with 10-year lease starting September 2023 and presently occupied with 10x Year 1 Level 3 apprentices.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
For the year ended 31 August 2023

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Statement of Disclosure to Auditor

- a) so far as the trustees of the Management Board are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- b) they have taken all steps that they ought to have taken as trustees of the Management Board in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

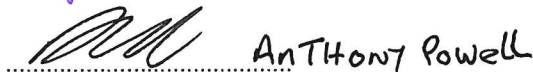
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

T Southgate
Chairperson



A Powell
Vice Chairperson



Date: 25/1/2024

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2023

The management board are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the charities SORP (Accounting and Reporting by Charities – Statement of Recommended Practice).
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The management board 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2023

Opinion

We have audited the financial statements of Gloucestershire Engineering Training Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2023

Matters on which we are required to report by exception

In the light of the 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 included in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of Trustees

The Trustees are responsible for the other information. As explained more fully in the Management Board's Responsibilities statement set out on page 8 the Trustees (who are also the Directors of the 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We considered the nature of the charitable company's industry and its control environment and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act, UK Charities Act and Charity SORP and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

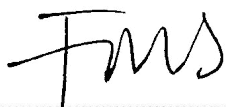
GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED
For the year ended 31 August 2023

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Felicity Sang
(Senior Statutory Auditor)

For and on behalf of:
Hazlewoods LLP
Chartered Accountants and Statutory Auditors
Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 25/01/2024

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 August 2023

| | | Total Funds | | | |
|--|------|--------------------|------------------|-----------|-----------|
| | Note | Unrestricted funds | Designated funds | 2023 | 2022 |
| | | £ | £ | £ | £ |
| Income from charitable activities | | | | | |
| - Practical Delivery | 3 | 1,115,320 | - | 1,115,320 | 984,161 |
| - Academic | 3 | 1,113,005 | - | 1,113,005 | 1,113,149 |
| - Skills & Development Advisors | 3 | 745,140 | - | 745,140 | 653,197 |
| | | 2,973,465 | - | 2,973,465 | 2,750,507 |
| Investment income | | | | | |
| Interest receivable | | 8,379 | - | 8,379 | 349 |
| | | 2,981,844 | - | 2,981,844 | 2,750,856 |
| Total income | | | | | |
| Expenditure on charitable activities | | | | | |
| - Practical Delivery | 4 | 1,199,305 | - | 1,199,305 | 838,763 |
| - Academic | 4 | 1,061,787 | - | 1,061,787 | 1,114,562 |
| - Skills & Development Advisors | 4 | 633,154 | - | 633,154 | 565,718 |
| | | 2,894,246 | - | 2,894,246 | 2,519,043 |
| Total expenditure | | | | | |
| | | 87,598 | - | 87,598 | 231,813 |
| Net surplus for the year | | 87,598 | - | 87,598 | 231,813 |
| Write-off of shortfall deposits | 16 | - | 25,921 | 25,921 | 703,861 |
| Fund balances brought forward at beginning of year | | 601,142 | 703,861 | 1,305,003 | 369,329 |
| | | 688,740 | 729,782 | 1,418,522 | 1,305,003 |
| Fund balance carried forward at end of year | | | | | |

The Statement of Financial Activities includes all gains and losses in the year therefore a statement of recognised gains and losses has not been prepared.

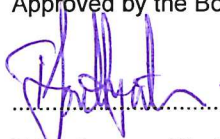
All income and expenditure is derived from continuing activities.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL POSITION
For the year ended 31 August 2023

| | Note | Total Funds | |
|--|------|-------------|-------------|
| | | 2023 | 2022 |
| | | £ | £ |
| FIXED ASSETS | | | |
| Intangible assets | 10 | 7,067 | - |
| Tangible assets | 11 | 284,756 | 216,577 |
| | | 291,823 | 216,577 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 2,196,770 | 2,032,432 |
| Cash at bank and in hand | | 610,638 | 842,567 |
| | | 2,807,408 | 2,874,999 |
| CREDITORS | | | |
| due within one year | 13 | (740,766) | (1,059,295) |
| | | 2,066,642 | 1,815,704 |
| NET CURRENT ASSETS | | | |
| | | 2,358,465 | 2,032,281 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| CREDITORS | | | |
| due after more than one year | 13 | (939,943) | (727,278) |
| | | 1,418,522 | 1,305,003 |
| NET ASSETS | | | |
| TRUSTEES' FUNDS | | | |
| Unrestricted funds | | | |
| Retained surplus | 16 | 688,740 | 601,142 |
| Designated funds | 16 | 729,782 | 703,861 |
| | | 1,418,522 | 1,305,003 |
| | | 1,418,522 | 1,305,003 |

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102.

Approved by the Board and authorised for issue on 25th January 2024.


.....
T Southgate – Chairperson


.....
A Powell – Vice Chairperson

Company number: 01300119

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

| | Note | 2023 £ | 2022 £ | |
|--|--------------------------------|------------------|-----------------------------------|------------------------------|
| Cash flows from operating activities | | | | |
| Net movement in funds | | 113,519 | 935,674 | |
| Adjustments to cash flow from non-cash items: | | | | |
| Depreciation and amortisation | 4,5 | 73,764 | 121,534 | |
| Loss on disposal of fixed assets | 5 | (93) | 1,755 | |
| Finance income | | (8,379) | (349) | |
| Finance and hire purchase costs | | 4,106 | 5,710 | |
| | | <u>182,917</u> | <u>1,064,324</u> | |
| Working capital adjustments: | | | | |
| Increase in debtors | | (164,355) | (133,816) | |
| Decrease in creditors | | <u>(69,674)</u> | <u>(1,131,739)</u> | |
| Net cash flow from operating activities | | (51,112) | (201,231) | |
| Cash flows from investing activities | | | | |
| Interest received | | 8,379 | 349 | |
| Acquisitions of fixed assets | 10,11 | <u>(149,326)</u> | <u>(39,342)</u> | |
| Net cash flows from investing activities | | (140,947) | (38,993) | |
| Cash flows from financing activities | | | | |
| Hire purchase interest | | (1,884) | (2,846) | |
| Loan interest | | (2,222) | (2,864) | |
| Movements in finance leases | | (10,764) | (10,764) | |
| Repayment of loans | | <u>(25,000)</u> | <u>(25,000)</u> | |
| Net cash flows from financing activities | | (39,870) | (41,474) | |
| Net movement in cash and cash equivalents | | (231,929) | (281,698) | |
| Cash and cash equivalents at 1 September | | 842,567 | 1,124,265 | |
| Cash and cash equivalents at 31 August | | 610,638 | 842,567 | |
| Analysis of changes in net debt | | | | |
| | At 1 September 2022 £ | Cash flows £ | Other non-cash changes £ | At 31 August 2023 £ |
| Cash and cash equivalents | | | | |
| Cash | 842,567 | (231,929) | - | 610,638 |
| Borrowings | | | | |
| Due within 1 year | (25,000) | 25,000 | (25,000) | (25,000) |
| Due after more than 1 year | (72,917) | - | 25,000 | (47,917) |
| Total net debt | <u>744,650</u> | <u>(206,929)</u> | <u>-</u> | <u>537,721</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

1 GENERAL INFORMATION

The company is a private Charitable Company limited by guarantee, registered in England and Wales.

The address of its registered office is:

Barnwood Point
Corinium Avenue
Gloucester
GL4 3HX

2 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

The presentational currency of the financial statements is Pound Sterling, being the functional currency of the primary economic environment in which the Charitable Company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Gloucestershire Engineering Training Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charitable Company to continue as a going concern. The trustees' make this assessment in respect of a period of at least one year from the date of approval of the financial statements. In making this assessment the trustees review forecasts prepared and consider the position of the Charitable Company at the date of signing the financial statements.

There continues to be some delay in some apprentices completing their EPA-End point assessment, this delay is an impact of COVID and the learners (19/20 and 20/21 cohort) not being able to complete and demonstrate the required skills due to timeframes. To support this, we have extended the apprenticeship for those following the MOET and mechatronics standard to ensure there is sufficient time to complete the EPA preparation and assessments requirements.

On review, the trustees' have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Format of Accounts

The Company is a registered charity and is not, therefore, a profit-making organisation. In the opinion of the Management Board, references required by the Companies Act 2006 to profits are misleading in the context of the Charitable Company's activities and have therefore been substituted by the term surplus where appropriate.

The Charitable Company has no costs which are directly attributable to sales and is therefore unable to adopt any of the statement of financial activities formats prescribed by the Companies Act 2006.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

2 ACCOUNTING POLICIES (Continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have been identified by management in preparing these financial statements.

Key sources of estimation uncertainty have been identified by management in preparing these financial statements as follows:

Shortfall deposits

The Charitable Company report shortfall deposits on the balance sheet aged with regard to management's best estimate of the expected repayment periods of the shortfall deposits.

The discounting element is considered immaterial and therefore no adjustment has been made.

Dilapidation provision

A provision is made in respect of costs that may be incurred at cessation of the property lease in order to return the property to the same state as when the lease was entered into. This estimate is based on management's review of dilapidation costs incurred on similar properties.

The discounting element is considered immaterial and therefore no adjustment has been made.

Accrued income

Accrued income is recognised in respect of funding due to be received, as the Charitable Company provides learner training, based on historical achievement rates of apprentices.

Incoming Resources

Incoming resources represent fees receivable for training services provided by the Charitable Company during the year and is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable under Model 35 are recognised under the accrual model. They are held in creditors as deferred income until such time as the Charitable Company can be reasonably certain that the funds can be taken as revenue, rather than being repaid to the Government or passed on to sponsoring companies.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation

Depreciation is calculated to write off the cost of tangible assets over their estimated useful lives at the following rates:

| | |
|------------------------------------|---------------------------|
| Improvements to leasehold property | Over 10 years |
| Plant and equipment | 10%-33% of cost per annum |
| Motor vehicles | 25% of cost per annum |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

2 ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than one month from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charitable Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activity over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included within Other Costs.

Borrowings are classified as current liabilities unless the Charitable Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating Leases

The cost of operating leases has been charged to the statement of financial activities on a straight-line basis over the term of the term.

Hire Purchase

Assets acquired under hire purchase have been recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability has been included under creditors due within or after one year. The interest element is charged to the statement of financial activities and represents a constant proportion of the balance of capital repayments outstanding.

Resources Expended

All expenditure is accounted for under the accruals concept. The Charitable Company has only one main activity: the provision of training services. All costs, other than professional fees are allocated to the main charitable activity. Within the main charitable activity, costs are allocated across Practical, Academic and Assessment costs. These allocations are based on direct apportionment except for premises costs, which are allocated on approximate floor space and usage. Professional fees are allocated to governance costs.

Fund structure

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

Pensions

Contributions payable on behalf of employees to the defined contribution pension scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

3 INCOME

| 2023 | Practical Delivery £ | Academic £ | Skills & Development Advisors £ | Total £ |
|-----------------------------------|-------------------------------------|-----------------------|--|--------------------|
| Government funded apprenticeships | 1,041,002 | 740,559 | 680,939 | 2,462,500 |
| Commercial courses | 74,075 | 372,114 | 64,024 | 510,213 |
| Other income | 243 | 332 | 177 | 752 |
| | 1,115,320 | 1,113,005 | 745,140 | 2,973,465 |
| 2022 | Practical Delivery £ | Academic £ | Skills & Development Advisors £ | Total £ |
| Government funded apprenticeships | 923,982 | 683,761 | 646,270 | 2,254,013 |
| Commercial courses | 59,867 | 428,962 | 6,700 | 495,529 |
| Other income | 312 | 426 | 227 | 965 |
| | 984,161 | 1,113,149 | 653,197 | 2,750,507 |

All income relates to services provided.

During the year government funding income totalling £1,960,095 (2022 - £2,096,851) was received from the Education and Skill Funding Agency under the agreed training framework.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

4 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Practical Delivery | Academic | Skills & Development Advisors | 2023 Total | 2022 Total |
|------------------------|-----------------------|-----------|-------------------------------------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 569,993 | 601,405 | 404,079 | 1,575,477 | 1,337,873 |
| Building costs | 140,904 | 99,794 | 13,477 | 254,175 | 229,086 |
| Motor and travel | 1,288 | 27 | 3,215 | 4,530 | 1,851 |
| Depreciation | 25,300 | 12,068 | - | 37,368 | 48,096 |
| Business support costs | 404,293 | 328,447 | 202,121 | 934,861 | 804,595 |
| Governance costs | 15,544 | 12,630 | 7,772 | 35,946 | 58,369 |
| Equipment costs | 32,775 | 3,315 | 259 | 36,349 | 24,530 |
| Other costs | 9,208 | 4,101 | 2,231 | 15,540 | 14,643 |
| | | | | | |
| 2023 | 1,199,305 | 1,061,787 | 633,154 | 2,894,246 | |
| 2022 | 838,763 | 1,114,562 | 565,718 | | 2,519,043 |

5 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charitable Company identifies the support and governance functions and the costs which relate to them. These costs are then allocated between the practical delivery, academic and skills & development advisors departments by the number of employees in the department.

| | Business Support | Governance | 2023 Total | 2022 Total |
|---------------------------|---------------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Staff costs | 522,521 | - | 522,521 | 454,550 |
| Building costs | 37,353 | - | 37,353 | 38,523 |
| Non reclaimable input VAT | 98,657 | - | 98,657 | 83,194 |
| Motor and travel | 3,277 | - | 3,277 | 2,706 |
| Advertising | - | - | - | 12,150 |
| Depreciation | 36,396 | - | 36,396 | 73,437 |
| Disposal of fixed assets | (93) | - | (93) | 1,756 |
| Equipment costs | 10,063 | - | 10,063 | 8,589 |
| Other costs | 226,687 | 35,946 | 262,633 | 188,059 |
| | | | | |
| 2023 | 934,861 | 35,946 | 970,807 | |
| 2022 | 804,595 | 58,369 | | 862,964 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)**STATEMENT OF CASH FLOWS**

For the year ended 31 August 2023

6 AUDITORS' REMUNERATION

| | 2023 | 2022 |
|-------------------------------------|---------------|--------------|
| | £ | £ |
| Auditors' remuneration (net of VAT) | | |
| Costs of external scrutiny | 11,000 | 7,183 |
| Other financial services | 2,455 | 1,972 |
| | <u>13,455</u> | <u>9,155</u> |

7 STAFF COSTS

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,766,898 | 1,496,120 |
| Social security costs | 181,292 | 157,671 |
| Pension costs | 68,492 | 57,251 |
| Other staff costs | 81,316 | 81,380 |
| | <u>2,097,998</u> | <u>1,792,422</u> |

The Charitable Company operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. No contributions were outstanding at the end of the current or prior year.

Included within the wages and salaries are ex gratia payments totalling £nil (2022 - £nil).

The key management personnel of the Charitable Company comprise the Management Board and Senior Management Team as listed on page 1. The Management Board, being the trustees, received no remuneration or reimbursement of expenditure. The total amount of employee benefits (including employer pension contributions) received by the Senior Management Team for their services to the Company was £529,489 (2022 - £376,645).

| Key management personnel | 2023 | 2022 |
|--|------|------|
| The number of key management personnel | 10 | 8 |

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

| | 2023 | 2022 |
|---------------------------|------|------|
| £90,001 to £100,000 p.a | - | 1 |
| £100,001 to £110,000 p.a. | 1 | - |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

8 STAFF COSTS (continued)

The average number of employees was:

| | 2023 | 2022 |
|--|------|------|
| Senior Management Board (And CEO HR and Finance) | 7 | 8 |
| Business Support | 5 | 4 |
| Workshop (Practical delivery) | 14 | 10 |
| VRQ (Academic team) | 16 | 14 |
| Review Officers | 8 | 8 |
| | 50 | 44 |

9 TAXATION

As a registered charity the Charitable Company has no liability in respect of taxation.

10 INTANGIBLE FIXED ASSETS

| | Software development costs £ |
|-----------------------|---|
| Cost | |
| At 1 September 2022 | - |
| Additions | 8,000 |
| At 31 August 2023 | 8,000 |
| Depreciation | |
| At 1 September 2022 | - |
| Charge for year | 933 |
| At 31 August 2023 | 933 |
| Net book value | |
| At 31 August 2023 | 7,067 |
| At 31 August 2022 | - |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

11 TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Plant and machinery £ | Total £ |
|-----------------------|--------------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 September 2022 | 638,363 | 707,122 | 1,345,485 |
| Additions | 25,300 | 116,026 | 141,326 |
| Disposals | - | (37,855) | (37,855) |
| At 31 August 2023 | 663,663 | 785,293 | 1,448,956 |
| Depreciation | | | |
| At 1 September 2022 | 577,941 | 550,967 | 1,128,908 |
| Charge for year | 26,110 | 46,721 | 72,831 |
| Disposals | - | (37,539) | (37,539) |
| At 31 August 2023 | 604,051 | 560,149 | 1,164,200 |
| Net book value | | | |
| At 31 August 2023 | 59,612 | 225,144 | 284,756 |
| At 31 August 2022 | 60,422 | 156,155 | 216,577 |

Included within plant and machinery are assets held under hire purchase leases with a net book value of £48,895 (2022 - £57,277). The depreciation charged on these assets in the year was £8,382 (2022 - £8,382).

12 DEBTORS

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 149,261 | 5,778 |
| Prepayments and accrued income | 2,046,667 | 2,025,795 |
| Other debtors | 842 | 859 |
| | 2,196,770 | 2,032,432 |

Included with accrued income is £791,870 (2022 - £719,322) due in more than one year.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

| 13 CREDITORS | Note | 2023 £ | 2022 £ |
|---|------|-----------|-----------|
| Due within one year | | | |
| Loans and borrowings | 14 | 25,000 | 25,000 |
| Net obligations under finance lease and hire purchase contracts | 14 | 9,867 | 10,386 |
| Trade creditors | | 58,731 | 54,584 |
| Taxation and social security | | 45,461 | 39,406 |
| Accruals | | 159,555 | 16,938 |
| Other creditors (Shortfall Deposits for 17/18 & 18/19 starters) | | 442,152 | 912,981 |
| | | 740,766 | 1,059,295 |
| Due after one year | | | |
| Loans and borrowings | 14 | 47,917 | 72,917 |
| Dilapidations provision | | 175,000 | 175,000 |
| Other creditors (Shortfall Deposits 19/20 to 22/23 starters) | | 717,026 | 469,116 |
| HP Liability | 14 | - | 10,245 |
| | | 939,943 | 727,278 |
| 14 LOANS AND BORROWINGS | | | |
| | | 2023 £ | 2022 £ |
| Due within one year | | | |
| Bank loans | | 25,000 | 25,000 |
| Net obligations under finance lease and hire purchase contracts | | 9,867 | 10,386 |
| | | 34,867 | 35,386 |
| Due after one year | | | |
| Bank loans | | 47,917 | 72,917 |
| Net obligations under finance lease and hire purchase contracts | | - | 10,245 |
| | | 47,917 | 83,162 |

Hire purchase liabilities are secured over the assets to which they relate.

During 2021 the Charitable Company drew down a loan under the Coronavirus Business Interruption Loan Scheme. The loan is repayable by instalments over six years, with £nil (2022 - £nil) repayable by instalments after more than five years. The loan incurs interest after 12 months at 2.75% and is secured over the assets of the Charitable Company. Bank loans are secured by an unlimited debenture incorporating a fixed and floating charge.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)**STATEMENT OF CASH FLOWS**

For the year ended 31 August 2023

15 SHARE CAPITAL

The Charitable Company does not have any share capital as it is limited by guarantee. Each of the trustees is a guarantor to the extent of £20 in the event of the Charitable Company being wound up whilst they are trustees, or within one year of them ceasing to be trustees in respect of debts and liabilities contracted before they ceased to be a member.

16 FUNDS

| | At 1 September 2022 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 August 2023 £ |
|---------------------------|--------------------------------|-------------|------------------|------------------------------------|------------------------------|
| Unrestricted funds | | | | | |
| - Retained surplus | 601,142 | 2,981,844 | (2,894,246) | - | 688,740 |
| - Designated funds | 703,861 | 25,921 | - | - | 729,782 |
| | 1,305,003 | 3,007,765 | (2,894,246) | - | 1,418,522 |

Retained surplus relates to net surpluses accumulated by the Charitable Company and are retained to provide working capital.

Designated funds consist of training support funds which previously listed under the other creditors which, after a change in the training support funds process, have now been ringfenced by GET to support the year 1 apprenticeship cost versus the funding from the apprenticeship levy to support the future stability and growth of the charitable company. Over the proceeding years this value will increase to £1.2m to cover the additional costs of training.

17 OTHER FINANCIAL COMMITMENTS

As at 31 August 2023 the following annual commitments were held under non-cancellable agreements:

2023

| | Land and buildings £ | Other £ | Total £ |
|----------------------------|----------------------------|------------|------------|
| Expiry date: | | | |
| Within one year | 214,198 | 9,435 | 223,633 |
| Between two and five years | 711,957 | 7,285 | 719,242 |
| Over 5 years | 150,000 | - | 150,000 |
| | 1,076,155 | 16,720 | 1,092,875 |

2022

| | Land and buildings £ | Other £ | Total £ |
|----------------------------|----------------------------|------------|------------|
| Expiry date: | | | |
| Within one year | 174,446 | 10,836 | 185,282 |
| Between two and five years | 657,845 | 18,597 | 676,442 |
| Over 5 years | 14,185 | - | 14,185 |
| | 846,476 | 29,433 | 875,909 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

17 OTHER FINANCIAL COMMITMENTS (continued)

The amount of non-cancellable land and buildings operating lease payments and other lease payments recognised as an expense during the year was £184,198 (2022 - £174,446) and £10,568 (2022 - £11,164) respectively.

18 DEFINED PENSION CONTRIBUTION SCHEME

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £68,492 (2022 - £57,251).

19 RELATED PARTIES

Several members of the Management Board are employed by companies that use GET for their apprenticeship, higher/further education and skills training. All transactions involving these companies are conducted in accordance with the charity's financial regulations and procedures which supports the distance required to avoid any conflicts of interest.

No related party transactions took place in the period of accounts.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED

England & Wales - Charity number 273571

Accounts

Company Number: 01300119

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED
(By Guarantee)**

FINANCIAL STATEMENTS

31 August 2022

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GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHARITY INFORMATION
for the year ended 31 August 2022

Reference and Administrative Information

Charity name: Gloucestershire Engineering Training Limited
Charity registration number: 273571
Company registration number: 01300119
Registered office and operational address: Barnwood Point, Corinium Avenue, Gloucester, GL4 3HX

| Management Board | Appointment date |
|---------------------------------------|-------------------------|
| J Brearley | 29/11/1991 |
| C Biggin | 10/02/2015 |
| G Miller | 25/11/2015 |
| T Southgate | 01/06/2018 |
| A Powell | 01/02/2019 |
| A Kinder | 01/08/2019 |
| I Henderson | 11/10/2019 |
| R Brunson (resigned 12 December 2021) | 01/01/2021 |
| S Biggs | 05/08/2021 |
| M Niblett (resigned 2 August 2022) | 11/02/2022 |
| R Grey | 18/02/2022 |
| J Farrington | 03/10/2022 |
| H Gardiner | 03/10/2022 |

Company Secretary

R Hill 06/09/2021

Chief Executive

W Thomas (appointed 6 September 2021)
L Temple (resigned 3 September 2021)

Senior Management Team

| | |
|--------------|--|
| W Thomas | Chief Executive Officer (from 6 September 2021) |
| L Temple | Chief Executive Officer (until 3 September 2021) |
| C Sterry | Head of Services |
| E Phelpstead | Learner Services Manager |
| R Hoyland | Finance Manager |
| C Spender | Academic Manager |
| A Larter | Quality Lead |
| L Jones | Skills & Assessment Manager (from 1 November 2021) |
| J Weatherley | Training & Maintenance Manager (from 1 May 2022) |

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
GL1 1NU

Auditors

Hazlewoods LLP
Staverton Court
Cheltenham
GL51 0UX

Solicitors

Davies & Partners
Rowan House
Barnwood
Gloucester
GL4 3RT

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRMAN'S REPORT
for the year ended 31 August 2022

CHAIRPERSON'S REPORT 2022-2023

Following on from the challenges of 2020-2021, training year 2021-2022 has been a much-improved year for GET in terms of delivery and a significant decrease in COVID cases. We have now progressed through a very challenging 27 months of COVID restrictions, the pandemic has massively stressed the Engineering and Manufacturing sector locally, nationally and on a worldwide scale. GET has developed and adapted significantly in its operational approach to ensure the Apprentices were trained to support our employer succession planning. This has required further training, upskilling, and recruitment within GET. There has been a high level of additional support for learners both Academically and Practically. Apprenticeship numbers for the year were 72 in total (around 65% of our normal intake).

Every effort has been made by staff to ensure the highest level of training was given to the Apprentices even with the challenges of social distancing and isolation in many instances. Additional catch-up sessions were implemented by the Academic Team to support the learners who had not managed very well with remote delivery.

There has most definitely been an impact on the younger generation due to the closure of schools and CAG's (Centre Assessments Grades) have had a negative impact on our learners' both academically and socially and the outcomes and progression into Year 2 of the Technical Certificate or Higher Education. Of those learners due to complete their Apprenticeship programme during the 2021-2022 training year, approximately 30 are now at the EPA (End Point Assessment) stage of their Apprenticeship, a high number have progressed and been successful. Work with the EPAO's (End Point Assessment Organisation) is improving, however there are still inconsistencies with the outcomes from the Independent Assessments.

We are still feeling the aftereffects of COVID, and in some instances the delay is due to apprentices being placed on furlough, and others even disengaging with learning. We chose not to apply for any CAG's relaxations in the Academic year 2021-2022 but provided additional support for the learners at GET's expense. There have been agreements to provide additional paid support for learners, however the numbers have been much lower this Academic year, with 17 learners failing to achieve one or more modules at Level 2 or Level 3 Technical Certificate and 5 learners failed one or more modules of their HNC/D. A very big improvement in comparison to the previous two Academic years, which is thanks to the dedication of the Academic Team and the support of the employers.

As always, a review of the delivery year was undertaken, with measures put in place to avoid similar issues with learners failing. We now have time built into the timetable at the end of the year to support those learners who were close to passing. The teams have worked incredibly hard to ensure we have a contingency plan in place should we ever need to implement remote learning and additional support at the end of the academic year.

On a more positive note, all timetabled delivery for Level 2 practical delivery was successfully completed by the last week in July this year. Thanks to the dedication and support of the staff within the Practical Delivery Team, all the learners can now progress to the development (Level 3) stage of their Apprenticeship.

Financially, as anticipated, we have performed extremely well this academic year, with surplus of £231,813. Recruitment for 2022-2023 has been very positive, with the biggest intake to date, 15 Level 2 Apprentices, 98 Level 3 Apprentices, and 9 Level 4 Apprentices, a total of 122 Apprentices and 58 new Higher Education learners added to the current groups of HE learners. This is a full two years ahead of our revised business plan post COVID.

Although the average number of staff has remained the same year on year, we have successfully recruited one additional Academic Tutor, a Skills and Assessment Manager, five Work Based Assessors, four Instructors and a Communications and Relationships Co-Ordinator to support growth and has replaced the staff who have left the company due to the impact of COVID and retirement. Along with this recruitment drive we have agreed a succession plan to recruit two additional members of staff every year for the next two years to support future retirements.

As a consequence of staff adjustments, GET has reviewed the delivery of commercial skills training, with a member of staff being promoted to Training and Maintenance Manager, creating a more efficient operating model which has resulted in largely increased income, however external demand currently exceeds our ability to deliver.

In August 2022, we signed a further 10-year lease on both units with the landlord, this lease has a 5-year breakout clause. We have managed to maintain the current fees for the first two years with very small increases over years 3 to 5.

Progress is being made on the potential satellite centre in the Forest of Dean, to free up space at GET. However, the main aim of the project is to reduce our carbon footprint and to support the young Apprentices in the Forest, with the logistical challenge of getting into Barnwood. Many are aged between 16-17 and non-drivers, who are reliant on public transport which has not been the best. This would allow the first years from the Forest to complete the Level 2 practical skills nearer home and only attend GET on a day release basis in years 2 and 3.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRMAN'S REPORT
for the year ended 31 August 2022

During the year we have had discussions with our customers regarding changes to GET's shortfall deposit arrangements. In order to reduce the company's liabilities and finance future growth, we have agreed with customers for them to stop paying shortfall deposits and in return GET will ringfence their outstanding refunds as designated to offset the year 1 apprenticeship funding deficit and to finance growth. As at 31 August 2022, 15 customers have signed contracts to support this change and there has been a £704k reduction in liabilities.

It has been another demanding year for everyone, these difficulties are reducing on a weekly basis. I want to thank all the staff at GET for their continued hard work, efforts, and commitments during these extremely difficult times. I would also like to thank all our customers and Board of Directors for their patience and ongoing support.

We are very mindful of the external pressures around the economy and continue to monitor and discuss any implications with our trusted employer partners on a regular basis, this supports our regular business plan and strategy review.

Warren's first year as CEO (appointed 6th September 2022) has been very pleasing. Holding the position of GET Operations Director for 4 years as well as his experience working within the regulatory awarding organisation sector has resulted in Warren settling into his new role and fully justified his appointment. We have built an excellent team, the financial situation has improved, and we have exciting plans for the future.

Well done to everyone involved.

Tristram Southgate
Chairperson
Gloucestershire Engineering Training

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2022

The Management Board presents its report, including the Directors' Report as required by the Companies Act 2006, and audited financial statements for the year ended 31 August 2022.

Structure, Governance and Management

Governance Document

The organisation is a charitable company limited by guarantee. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the Charitable Company being wound up trustees are required to contribute an amount not exceeding £20.

Recruitment and Appointment of Management Board

The Directors of the Charitable Company are also charity trustees for the purposes of charity law and under the Company's Articles of Association are known as trustees of the Management Board. Under the requirements of the Memorandum and Articles of Association membership will automatically terminate three years from the date of admission to membership. Members may then reapply as provided in article 10(2). (The wording of 10(2) is below)

10(2) Membership is open to organisations/companies which are engaged in industry, engineering, manufacturing or commerce and who:

- a) Apply to the charity in the form required by the Directors; and
- b) Are approved by the Directors.

The Management Board consists of a Chairperson and Vice Chairperson, the minimum number of Directors shall be 4 and the maximum shall be 12 and the majority of the Board must be "Industry Directors".

To qualify for appointment as a Director a person must:

- a) be employed by or be a Director of a company or organisation involved in industry, engineering manufacturing or commerce; or
- b) have previously worked in industry, engineering manufacturing or commerce for a number of years so as to have extensive experience of such sectors; or
- c) have professional or other relevant skills ("Independent Directors").

Management Board Induction and Training

As direct customers and users of the Charitable Company's training and development resource in-coming Directors are generally familiar with the operational goals and principles of the Association. Those who are not are provided with an appropriate induction.

Risk Management

The major risk to which the Charitable Company is exposed is the reduction in Government funding. The Management Board monitor and evaluate this and other risks by holding regular Board meetings. Budgets are prepared and updated to predict possible losses arising from these risks.

Organisational Structure

The Charitable Company is divided into four departments; Learner Services Team, Work Based Assessors, Practical Delivery Team, and Academic Delivery Team. The day-to-day management of the Charitable Company rests with the CEO, with delegated responsibilities to the Senior Management Team. The Learner Services, Finance and IT Team provides support services throughout the organisation. The Work Based Assessor Team reviews, internally quality assures the learner portfolios and prepares the learner for End Point Assessment with the support of the employer to ensure that the apprenticeship programme is achieved. The Practical Delivery Team provides off the job training on the workshop whereas the Academic Team provide the classroom-based elements which includes our commercial HE offering and functional skills. All teams are now working far closer together within the organisation to meet the needs of the apprenticeship standard and individual learner journey.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2022

As a Charity we regularly benchmark our remuneration and benefits packages against a variety of measures – firstly we look at the local market rates by comparing our salaries and T&Cs against our competitors, we look at benchmarking against other Group Training Associations (GTA) across the UK and also use national statistics from public research (KPMG etc). We aim to make sure we are at least competitive and are paying the market rates but also need to make our offer attractive without being overly excessive to the market position. This activity is completed internally by HR and the CEO and presented and discussed at Board level.

External Stakeholders

Gloucestershire Engineering Training Limited is audited by the Department of Education (DofE), Education and Skills Funding Agency (ESFA) and Education Awarding bodies in order to deliver approved Apprenticeship Standards.

Objectives and Strategies

The Memorandum and Articles of Association of the Charitable Company state that the objects for which the Charitable Company is established are:

- i) to promote and advance adequate training of persons employed or intending to be employed in industry and commerce.
- ii) subject to the foregoing object, to extend such training to members of the public generally.

The objectives are achieved by the provisions of a training centre, offering both the Skills and Knowledge aspects of the programme, and contracts with each Employer. The contracts are funded by the Apprenticeship Levy for full Apprenticeships or on a commercial basis for Skills training. There have been no major policy changes during the year.

Strategic Report

Achievements and Performance

Given the challenges we have faced over the last thirty months, the Trustees think it is commendable how the organisation and the staff within have adjusted to the situation and maintained delivery as much as possible.

Practical Delivery – the training year ended on time and 100% of first year learners completed their training, this was a reduced number of 72 Level 3 Apprentices. Some learners even finished slightly earlier and returned to their employer's premises ahead of the revised date or were given additional free training to support the stretch in their development.

Academic Delivery – the Academic delivery finished as planned. We did not utilise the opportunity provided around CAG's (Centre Assessment Grades) in 2021-2022. We were fortunate enough to complete the delivery with a return to 100% face to face delivery, this was not without its challenges with several staff and learners having to isolate due to COVID. This was a challenge and often staff would work above and beyond their required hours to support learners.

Failure rates for the academic year 2021-2022 have improved significantly. Learners who unfortunately failed modules in 2021-2022 were given the opportunity to repeat the training at the end of the academic year or return for a short period in September 2022. The failures were down to either 1) the learners' attitude and engagement or 2) because of the pandemic and in some cases a mixture of both.

Work Based Assessment – A high volume of work was carried out to keep learners progressing, this included catching up on those historic learners who had fallen behind due to the consequences of COVID and in many cases being furloughed.

This has created a knock-on effect in terms of timely completions and those learners who need to complete EPA (End Point Assessment). The team is working hard with the employers to get the apprenticeships completed and we have recruited a further five members of staff within the team to support this and support with succession planning.

Overall, our success and achievement rate has fallen to 87% in comparison to our usual rate of approximately 95%. However, our success rate is now very much on a positive trajectory, and it is predicted we will be back to around 95-96% success rate for 2022-2023.

Whilst our apprentice numbers were significantly lower than normal the HE numbers remained at a similar level to pre-pandemic numbers. Interestingly we have also seen a significant increase in the volume of enquiries we have received for commercial training leading to the changes in structure mentioned previously.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2022

Whilst we remain committed to our charitable objectives, this continues to be a challenge due to the external impact of the pandemic and we continue to offer some support remotely.

Financial Review

The budget for 2021-2022 predicted a surplus of £144k. 6 months into the year, we provided a reforecast for the remainder of the year which saw these figures improve a further £118k to end the year with a surplus of £262k the improvement mainly due to additional skills training and End Point Assessment cost adjustments.

We ended 2021-2022 with a net surplus of £232k, £30k less than the forecast due to timing of skills training and End Point Assessments (EPAs) costs both of which will be covered in the preceding year. This excludes the £704k write off of shortfall deposits due to changes in GET's shortfall deposit arrangements (see note 15).

The 2022-2023 training year has started very well with 98 learners starting their apprenticeships at GET in September 2022 and together with the successes of this year, we are expecting to end 2022-2023 with a surplus of £329k.

Principal Funding Sources

The principal funding source is primarily our employer customer base supported by the Education and Skill Funding Agency funding for Apprenticeships in the main via the Apprenticeship Levy. All businesses regardless of size are now supported by the apprenticeship levy, either via 5% contribution from the employer or co-investment approach.

We understand the requirements under Charity regulations to disclose our involvement in fundraising. The Charity is not involved in such activities as all monies are generated from commercial activities and charitable activities funded by local employers, supported by government funding. The Charitable Company does not have any volunteers.

Investment Policy

The Charitable Company does not have an investment portfolio. All funds are held in bank deposit accounts and monitored regularly by the Board.

Reserves Policy

The Trustees reserves policy is to build and have sufficient funds to cover 3 to 6 months' operating costs if apprenticeship funding ceased to exist. We are also building the reserve and have designated funds to finance shortfall deposits and provide financial security to the charitable organisation.

Plans for Future Periods

Given the impact of the pandemic and the uncertainty around future operations (Brexit and the ongoing Pandemic), it was decided that a move to new premises would not be undertaken at the end of the lease in 2022 as planned. A new 10-year lease has now been signed with a 5 year break out option, with the following agreed as part of our Strategy and Business Plan:

- Increase the number of Apprentices undertaking the Level 3 programme to an optimum number of 85-90 with current staffing levels
- Convert the majority of our Commercial HE on to Level 4 Apprenticeship programmes
- Continue to grow and improve our commercial offering, which has shown very positive growth in 2021
- Identify new income opportunities
- Review financial structures in an attempt to move away from shortfall deposits

A new business plan, together with the review of the reserves policy, is underway to add more detail and context to the above objectives.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2022

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Statement of Disclosure to Auditor

- a) so far as the trustees of the Management Board are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- b) they have taken all steps that they ought to have taken as trustees of the Management Board in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

T Southgate
Chairperson



A Powell
Vice Chairperson



Date: 23/11/2022

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED

The management board are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the charities SORP (Accounting and Reporting by Charities – Statement of Recommended Practice).
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The management board 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

Opinion

We have audited the financial statements of Gloucestershire Engineering Training Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 August 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

Matters on which we are required to report by exception

In the light of the 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 included in the Trustees' 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.
- the financial statements are not in agreement with the accounting records and returns.
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of Trustees

The Trustees are responsible for the other information. As explained more fully in the Management Board's Responsibilities statement set out on page 8 the Trustees (who are also the Directors of the 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 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, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Charitable Company financial statements or that had a fundamental effect on the operations of the Charitable Company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and Charity SORP and we considered the extent to which non-compliance might have a material effect on the financial statements.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions and significant one-off or unusual transactions.
- Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included, but were not limited to:
 - communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout the audit.
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud.
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process.
 - challenging assumptions and judgements made by management in its significant accounting estimates; and
 - identifying and testing journal entries, in particular any journal entries with unusual characteristics.

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

- Our audit procedures in relation to fraud included, but were not limited to:
 - making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud.
 - gaining an understanding of the internal controls established to mitigate risks related to fraud.
 - discussing amongst the engagement team the risks of fraud; and
 - addressing the risks of fraud through management override of controls by performing journal entry testing.

We consider that our procedures are sufficient to detect irregularities, including fraud, although they are not designed specifically for the detection of irregularities. The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Scott Lawrence FCA
(Senior Statutory Auditor)

For and on behalf of:
Hazlewoods LLP
Chartered Accountants and Statutory Auditors
Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 28/11/22

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2022

| | Note | Unrestricted funds | Designated funds | Total Funds | |
|---|------|--------------------|------------------|-------------|-----------|
| | | | | 2022 | 2021 |
| | | £ | £ | £ | £ |
| Income from charitable activities | | | | | |
| - Practical Delivery | 3 | 984,161 | - | 984,161 | 614,035 |
| - Academic | 3 | 1,113,149 | - | 1,113,149 | 960,393 |
| - Work Based Assessors | 3 | 653,197 | - | 653,197 | 481,423 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | 2,750,507 | - | 2,750,507 | 2,055,851 |
| Investment income | | | | | |
| Interest receivable | | 349 | - | 349 | 225 |
| Other income | | | | | |
| Grants receivable | 6 | - | - | - | 70,981 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total income | | 2,750,856 | - | 2,750,856 | 2,127,057 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditure on charitable activities | | | | | |
| - Practical Delivery | 4 | 838,763 | - | 838,763 | 816,745 |
| - Academic | 4 | 1,114,562 | - | 1,114,562 | 1,110,254 |
| - Work Based Assessors | 4 | 565,718 | - | 565,718 | 474,917 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditure | 4 | 2,519,043 | - | 2,519,043 | 2,401,916 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Surplus / (deficit) surplus for the year | | 231,813 | - | 231,813 | (274,859) |
| Write-off of shortfall deposits | 15 | - | 703,861 | 703,861 | - |
| Fund balances brought forward at beginning of year | | 369,329 | - | 369,329 | 644,188 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance carried forward at end of year | | 601,142 | 703,861 | 1,305,003 | 369,329 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

The Statement of Financial Activities includes all gains and losses in the year therefore a statement of recognised gains and losses has not been prepared.

All income and expenditure is derived from continuing activities.

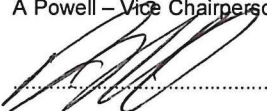
GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL POSITION
31 August 2022

| | Note | Total Funds | |
|---------------------------------------|------|------------------|------------------|
| | | 2022 | 2021 |
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 10 | 216,577 | 300,524 |
| CURRENT ASSETS | | | |
| Debtors | 11 | 2,032,432 | 1,898,302 |
| Cash at bank and in hand | | 842,567 | 1,124,265 |
| | | <u>2,874,999</u> | <u>3,022,567</u> |
| CREDITORS | | | |
| due within one year | 12 | (1,059,295) | (1,109,699) |
| | | <u>1,815,704</u> | <u>1,912,868</u> |
| NET CURRENT ASSETS | | | |
| | | <u>2,032,281</u> | <u>2,213,392</u> |
| CREDITORS | | | |
| due after more than one year | 12 | (727,278) | (1,844,063) |
| | | <u>1,305,003</u> | <u>369,329</u> |
| NET ASSETS | | | |
| TRUSTEES' FUNDS | | | |
| Retained surplus (Unrestricted funds) | 15 | 601,142 | 369,329 |
| Designated funds | 15 | 703,861 | - |
| | | <u>1,305,003</u> | <u>369,329</u> |

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102.

Approved by the Board and authorised for issue on 23rd November 2022.

T Southgate – Chairperson


A Powell – Vice Chairperson


Company number: 01300119

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

| | Note | 2022 £ | 2021 £ | |
|--|--------------------------------|------------------|-----------------------------------|------------------------------|
| Cash flows from operating activities | | | | |
| Net movement in funds | | 935,674 | (274,859) | |
| Adjustments to cash flow from non-cash items: | | | | |
| Depreciation and amortisation | 4,5 | 121,534 | 125,697 | |
| Loss on disposal of fixed assets | 4,5 | 1,755 | - | |
| Finance income | | (349) | (225) | |
| Finance and hire purchase costs | | 5,710 | 3,055 | |
| | | 1,064,324 | (146,332) | |
| Working capital adjustments: | | | | |
| Increase in debtors | | (133,816) | 485,382 | |
| Decrease in creditors | | (1,131,739) | (450,495) | |
| Net cash flow from operating activities | | (201,231) | (111,445) | |
| Cash flows from investing activities | | | | |
| Interest received | | 349 | 225 | |
| Acquisitions of fixed assets | 10 | (39,342) | (37,065) | |
| Net cash flows from investing activities | | (38,993) | (36,840) | |
| Cash flows from financing activities | | | | |
| Hire purchase interest | | (2,846) | (2,787) | |
| Loan interest | | (2,864) | (268) | |
| Movements in finance leases | | (10,764) | (10,764) | |
| Repayment of loans | | (25,000) | (2,083) | |
| Net cash flows from financing activities | | (41,474) | (15,902) | |
| Net movement in cash and cash equivalents | | (281,698) | (164,187) | |
| Cash and cash equivalents at 1 September | | 1,124,265 | 1,288,452 | |
| Cash and cash equivalents at 31 August | | 842,567 | 1,124,265 | |
| Analysis of changes in net debt | | | | |
| | At 1 September 2021 £ | Cash flows £ | Other non cash changes £ | At 31 August 2022 £ |
| Cash and cash equivalents | | | | |
| Cash | 1,124,265 | (281,698) | - | 842,567 |
| Borrowings | | | | |
| Due within 1 year | (25,000) | 25,000 | (25,000) | (25,000) |
| Due after more than 1 year | (97,917) | - | 25,000 | (72,917) |
| Total net debt | 1,001,348 | (256,698) | - | 744,650 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

1 GENERAL INFORMATION

The company is a private Charitable Company limited by guarantee, registered in England and Wales.

The address of its registered office is:

Barnwood Point
Corinium Avenue
Gloucester
GL4 3HX

2 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

The presentational currency of the financial statements is Pound Sterling, being the functional currency of the primary economic environment in which the Charitable Company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Gloucestershire Engineering Training Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charitable Company to continue as a going concern. The trustees' make this assessment in respect of a period of at least one year from the date of approval of the financial statements. In making this assessment the trustees review forecasts prepared and consider the position of the Charitable Company at the date of signing the financial statements.

Key assumptions included in the forecasts include the Charitable Company's dependence on apprenticeship numbers continuing to increase back to the volumes they were at prior to the Coronavirus pandemic and their employers/customers continuing to pay the shortfall deposit in recognition of the imbalance in the way in which apprenticeship levy funds are released in comparison to the way in which the Charitable Company incurs the cost. Both of these are inherently uncertain and difficult to predict as enters the inevitable post lockdown recession.

On review, the trustees' have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Format of Accounts

The Company is a registered charity and is not, therefore, a profit-making organisation. In the opinion of the Management Board, references required by the Companies Act 2006 to profits are misleading in the context of the Charitable Company's activities and have therefore been substituted by the term surplus where appropriate.

The Charitable Company has no costs which are directly attributable to sales and is therefore unable to adopt any of the statement of financial activities formats prescribed by the Companies Act 2006.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

2 ACCOUNTING POLICIES (Continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have been identified by management in preparing these financial statements.

Key sources of estimation uncertainty have been identified by management in preparing these financial statements as follows:

Shortfall deposits

The Charitable Company report shortfall deposits on the balance sheet aged with regard to management's best estimate of the expected repayment periods of the shortfall deposits.

The discounting element is considered immaterial and therefore no adjustment has been made.

Dilapidation provision

A provision is made in respect of costs that may be incurred at cessation of the property lease in order to return the property to the same state as when the lease was entered into. This estimate is based on management's review of dilapidation costs incurred on similar properties.

The discounting element is considered immaterial and therefore no adjustment has been made.

Accrued income

Accrued income is recognised in respect of funding due to be received, as the Charitable Company provides learner training, based on historical achievement rates of apprentices.

Incoming Resources

Incoming resources represent fees receivable for training services provided by the Charitable Company during the year and is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable under Model 35 are recognised under the accrual model. They are held in creditors as deferred income until such time as the Charitable Company can be reasonably certain that the funds can be taken as revenue, rather than being repaid to the Government or passed on to sponsoring companies.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation

Depreciation is calculated to write off the cost of tangible assets over their estimated useful lives at the following rates:

| | |
|------------------------------------|---------------------------|
| Improvements to leasehold property | Over 10 years |
| Plant and equipment | 10%-33% of cost per annum |
| Motor vehicles | 25% of cost per annum |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

2 ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than one month from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activity over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included within Other Costs.

Borrowings are classified as current liabilities unless the Charitable Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating Leases

The cost of operating leases has been charged to the statement of financial activities on a straight-line basis over the term of the term.

Hire Purchase

Assets acquired under hire purchase have been recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability has been included under creditors due within or after one year. The interest element is charged to the statement of financial activities and represents a constant proportion of the balance of capital repayments outstanding.

Resources Expended

All expenditure is accounted for under the accruals concept. The Charitable Company has only one main activity: the provision of training services. All costs, other than professional fees are allocated to the main charitable activity. Within the main charitable activity, costs are allocated across Practical, Academic and Assessment costs. These allocations are based on direct apportionment except for premises costs, which are allocated on approximate floor space and usage. Professional fees are allocated to governance costs.

Fund structure

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

Pensions

Contributions payable on behalf of employees to the defined contribution pension scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

3 INCOME

| 2022 | Practical Delivery £ | Academic £ | Work Based Assessors £ | Total £ |
|-----------------------------------|-------------------------------------|-----------------------|---------------------------------------|--------------------|
| Government funded apprenticeships | 923,982 | 683,761 | 646,270 | 2,254,013 |
| Commercial courses | 59,867 | 428,962 | 6,700 | 495,529 |
| Other income | 312 | 426 | 227 | 965 |
| | 984,161 | 1,113,149 | 653,197 | 2,750,507 |
| 2021 | Practical Delivery £ | Academic £ | Work Based Assessors £ | Total £ |
| Government funded apprenticeships | 579,324 | 376,706 | 471,383 | 1,427,413 |
| Commercial courses | 34,173 | 583,367 | 9,928 | 627,468 |
| Other income | 538 | 320 | 112 | 970 |
| | 614,035 | 960,393 | 481,423 | 2,055,851 |

All income relates to services provided.

During the year government funding income totalling £2,096,851 (2021 - 1,723,301) was received from the Education and Skill Funding Agency under the agreed training framework.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

4 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Practical Delivery £ | Academic £ | Work Based Assessors £ | 2022 Total £ | 2021 Total £ |
|------------------------|----------------------------|------------------|------------------------------|--------------------|--------------------|
| Staff costs | 374,135 | 618,019 | 345,719 | 1,337,873 | 1,298,565 |
| Building costs | 125,286 | 91,404 | 12,396 | 229,086 | 226,269 |
| Motor and travel | 566 | 157 | 1,128 | 1,851 | 1,798 |
| Depreciation | 31,118 | 16,978 | - | 48,096 | 49,423 |
| Business support costs | 260,311 | 354,968 | 189,316 | 804,595 | 779,897 |
| Governance costs | 18,884 | 25,751 | 13,734 | 58,369 | 31,303 |
| Equipment costs | 22,221 | 2,170 | 139 | 24,530 | 16,862 |
| Other costs | 6,242 | 5,115 | 3,286 | 14,643 | (2,201) |
| 2022 | 838,763 | 1,114,562 | 565,718 | 2,519,043 | |
| 2021 | 816,745 | 1,110,254 | 474,917 | | 2,401,916 |

5 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charitable Company identifies the support and governance functions and the costs which relate to them. These costs are then allocated between the practical delivery, academic and work based assessors departments by the number of employees in the department.

| | Business Support £ | Governance £ | 2022 Total £ | 2021 Total £ |
|---------------------------|--------------------------|-----------------|--------------------|--------------------|
| Staff costs | 454,550 | - | 454,550 | 469,391 |
| Building costs | 38,523 | - | 38,523 | 43,469 |
| Non reclaimable input VAT | 83,194 | - | 83,194 | 72,751 |
| Motor and travel | 2,706 | - | 2,706 | (845) |
| Advertising | 12,150 | - | 12,150 | 4,357 |
| Depreciation | 73,437 | - | 73,437 | 76,274 |
| Disposal of fixed assets | 1,756 | - | 1,756 | 40 |
| Equipment costs | 8,589 | - | 8,589 | 7,570 |
| Other costs | 129,690 | 58,369 | 188,059 | 138,193 |
| 2022 | 804,595 | 58,369 | 862,964 | |
| 2021 | 779,897 | 31,303 | | 811,200 |

6 GOVERNMENT GRANTS

The Charitable Company received amounts totalling £nil (2021 - £70,981) from the Government under the Coronavirus Job Retention Scheme.

The Coronavirus Job Retention Scheme is a government grant relating to a wage subsidiary programme introduced in the United Kingdom in response to the COVID-19 pandemic. The charity was entitled to the wage subsidy because it had reduced operations in the United Kingdom as a result of the pandemic. The accounting policy adopted is set out in Note 2 to the financial statements.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

7 AUDITORS' REMUNERATION

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| | £ | £ |
| Auditors' remuneration (net of VAT) | | |
| Costs of external scrutiny | 7,183 | 7,833 |
| Other financial services | 1,972 | 2,146 |
| | <u>9,155</u> | <u>9,979</u> |

8 STAFF COSTS

| | 2022 | 2021 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,496,120 | 1,502,387 |
| Social security costs | 157,671 | 154,376 |
| Pension costs | 57,251 | 64,509 |
| Other staff costs | 81,380 | 46,682 |
| | <u>1,792,422</u> | <u>1,767,954</u> |

The Charitable Company operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. No contributions were outstanding at the end of the current or prior year.

Included within the wages and salaries are ex gratia payments totalling £nil (2021 - £nil).

The key management personnel of the Charitable Company comprise the Management Board and Senior Management Team as listed on page 1. The Management Board, being the trustees, received no remuneration or reimbursement of expenditure. The total amount of employee benefits (including employer pension contributions) received by the Senior Management Team for their services to the Company was £376,645 (2021 - £255,177).

| Key management personnel | 2022 | 2021 |
|--|-------------|-------------|
| The number of key management personnel | <u>8</u> | <u>5</u> |

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

| | 2022 | 2021 |
|-------------------------|-------------|-------------|
| £80,001 to £90,000 p.a | - | 1 |
| £90,001 to £100,000 p.a | 1 | 1 |
| | <u>1</u> | <u>1</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

8 STAFF COSTS (continued)

The average number of employees was:

| | 2022 | 2021 |
|--|------|------|
| Senior Management Board (And CEO HR and Finance) | 8 | 7 |
| Business Support | 4 | 3 |
| Workshop (Practical delivery) | 10 | 10 |
| VRQ (Academic team) | 14 | 16 |
| Review Officers | 8 | 8 |
| | 44 | 44 |
| | 44 | 44 |

9 TAXATION

As a registered charity the Charitable Company has no liability in respect of taxation.

10 TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Plant and machinery £ | Total £ |
|-----------------------|--------------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 September 2021 | 637,918 | 694,770 | 1,332,688 |
| Additions | 445 | 38,897 | 39,342 |
| Disposals | - | (26,545) | (26,545) |
| | 638,363 | 707,122 | 1,345,485 |
| Depreciation | | | |
| At 1 September 2021 | 515,353 | 516,811 | 1,032,164 |
| Charge for year | 62,588 | 58,946 | 121,534 |
| Disposals | - | (24,790) | (24,790) |
| | 577,941 | 550,967 | 1,128,908 |
| Net book value | | | |
| At 31 August 2022 | 60,422 | 156,155 | 216,577 |
| | 60,422 | 156,155 | 216,577 |
| At 31 August 2021 | 122,565 | 177,959 | 300,524 |

Included within plant and machinery are assets held under hire purchase leases with a net book value of £57,277 (2021 - £65,659). The depreciation charged on these assets in the year was £8,382 (2021 - £8,382).

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

11 DEBTORS

| | 2022 | 2021 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 5,778 | 4,504 |
| Prepayments and accrued income | 2,025,795 | 1,893,253 |
| Other debtors | 859 | 545 |
| | <u>2,032,432</u> | <u>1,898,302</u> |

Included with accrued income is £719,322 (2021 - £1,044,534) due in more than one year.

12 CREDITORS

| | Note | 2022 | 2021 |
|---|-------------|------------------|------------------|
| | | £ | £ |
| Due within one year | | | |
| Loans and borrowings | 13 | 25,000 | 25,000 |
| Net obligations under finance lease and hire purchase contracts | 13 | 10,386 | 9,571 |
| Trade creditors | | 54,584 | 105,597 |
| Taxation and social security | | 39,406 | 48,867 |
| Accruals | | 16,938 | 13,156 |
| Other creditors | | 912,981 | 907,508 |
| | | <u>1,059,295</u> | <u>1,109,699</u> |
| Due after one year | | | |
| Loans and borrowings | 13 | 72,917 | 97,917 |
| Dilapidations provision | | 175,000 | 175,000 |
| Other creditors | | 469,116 | 1,549,322 |
| HP Liability | 13 | 10,245 | 21,824 |
| | | <u>727,278</u> | <u>1,844,063</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

13 LOANS AND BORROWINGS

| | 2022 | 2021 |
|---|---------------|----------------|
| | £ | £ |
| Due within one year | | |
| Bank loans | 25,000 | 25,000 |
| Net obligations under finance lease and hire purchase contracts | 10,386 | 9,571 |
| | <u>35,386</u> | <u>34,571</u> |
| Due after one year | | |
| Bank loans | 72,917 | 97,917 |
| Net obligations under finance lease and hire purchase contracts | 10,245 | 21,824 |
| | <u>83,162</u> | <u>119,741</u> |

Hire purchase liabilities are secured over the assets to which they relate.

During the prior year the Charitable Company drew down a loan under the Coronavirus Business Interruption Loan Scheme. The loan is repayable by instalments over six years, with £nil (2021 - £nil) repayable by instalments after more than five years. The loan incurs interest after 12 months at 2.75% and is secured over the assets of the Charitable Company. Bank loans are secured by an unlimited debenture incorporating a fixed and floating charge.

14 SHARE CAPITAL

The Charitable Company does not have any share capital as it is limited by guarantee. Each of the trustees is a guarantor to the extent of £20 in the event of the Charitable Company being wound up whilst they are trustees, or within one year of them ceasing to be trustees in respect of debts and liabilities contracted before they ceased to be a member.

15 FUNDS

| | At 1 September 2021 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 August 2022 £ |
|------------------------------|--------------------------------|------------------|--------------------|------------------------------------|------------------------------|
| Unrestricted funds | | | | | |
| - Retained surplus | 369,329 | 2,750,856 | (2,519,043) | - | 601,142 |
| Designated funds | | | | | |
| - Shortfall deposits reserve | - | 703,861 | - | - | 703,861 |
| | <u>369,329</u> | <u>3,454,717</u> | <u>(2,519,043)</u> | <u>-</u> | <u>1,305,003</u> |

Unrestricted funds consist of the retained surplus accumulated by Gloucestershire Engineer Training and are retained to provide working capital.

Designated funds consists of customer shortfall deposit refunds which were previously listed under other creditors which, after a change in the shortfall deposit process, have now been ringfenced by GET to cover the year 1 apprenticeship costs vs funding shortfall. Over the proceeding years this value will increase to £1.2m to cover the shortfall in year 1 costs vs funding based on max capacity of 120 year 1 learners.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

16 OTHER FINANCIAL COMMITMENTS

As at 31 August 2022 the following annual commitments were held under non-cancellable agreements:

| 2022 | Land and buildings £ | Other £ | Total £ |
|----------------------------|---------------------------------|--------------------|--------------------|
| Expiry date: | | | |
| Within one year | 174,446 | 10,836 | 185,282 |
| Between two and five years | 657,845 | 18,597 | 676,442 |
| Over 5 years | 14,185 | - | 14,185 |
| | <hr/> | <hr/> | <hr/> |
| | 846,476 | 29,433 | 875,909 |
| | <hr/> | <hr/> | <hr/> |
| 2021 | | | |
| Expiry date: | | | |
| Within one year | 166,600 | 11,164 | 177,764 |
| Between two and five years | - | 29,433 | 29,433 |
| Over 5 years | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| | 166,600 | 40,597 | 207,197 |
| | <hr/> | <hr/> | <hr/> |

The amount of non-cancellable land and buildings operating lease payments and other lease payments recognised as an expense during the year was £174,446 (2021 - £166,600) and £11,164 (2021 - £11,164) respectively.

17 DEFINED PENSION CONTRIBUTION SCHEME

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £57,251 (2021 - £64,509).

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED

England & Wales - Charity number 273571

Accounts

Company Number: 01300119

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED
(By Guarantee)**

FINANCIAL STATEMENTS

31 August 2021

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GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHARITY INFORMATION
for the year ended 31 August 2021

Reference and Administrative Information

Charity name: Gloucestershire Engineering Training Limited
Charity registration number: 273571
Company registration number: 01300119
Registered office and operational address: Barnwood Point, Corinium Avenue, Gloucester, GL4 3HX

Management Board

Appointment date

| | |
|--------------------------------------|------------|
| G Jones (resigned 18 September 2020) | 14/12/1990 |
| J Brearley | 29/11/1991 |
| C Biggin | 10/02/2015 |
| G Miller | 25/11/2015 |
| T Southgate | 01/06/2018 |
| A Powell | 01/02/2019 |
| A Hollis (resigned 14 October 2020) | 01/02/2019 |
| A Kinder | 01/08/2019 |
| I Henderson | 11/10/2019 |
| R Brunsdon | 01/01/2021 |
| S Biggs | 05/08/2021 |

Company Secretary

| | |
|--|------------|
| L Temple (resigned 3rd September 2021) | 26/10/2010 |
| R Hill | 06/09/2021 |

Chief Executive

W Thomas (appointed 6th September 2021)
L Temple (resigned 3rd September 2021)

Senior Management Team

| | |
|--------------|--|
| W Thomas | Chief Executive Officer from 6 th September 2021 |
| L Temple | Chief Executive Officer until 3 rd September 2021 |
| E Phelpstead | Team Leader for Learner Services |
| W Thomas | Operations Director |
| R Hoyland | Finance manager |
| C Spender | Academic Team Leader |

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
GL1 1NU

Auditors

Hazlewoods LLP
Staverton Court
Cheltenham
GL51 0UX

Solicitors

Davies & Partners
Rowan House
Barnwood
Gloucester
GL4 3RT

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRMAN'S REPORT
for the year ended 31 August 2021

CHAIRPERSON'S REPORT 2020-2021

Following on from the challenges of 2019-2020, I think it comes as no surprise when I say that the training year 2020-2021 has been another challenging year for GET. We are now 20 months into what has been global pandemic and a massive challenge for the Engineering and Manufacturing sector. GET has learnt a lot over the last 20 months and adapted significantly in its operational approach to ensure the Apprentices were trained to support our employer succession planning. There has been a high level of additional support for learners both academically and practically. Apprenticeship numbers for the year were 38 in total (around 30% of our normal intake).

Every effort has been made to ensure the learners received the identical training to previous cohorts even with the challenges of social distancing and isolation in many instances. Additional catch-up sessions were implemented by the Academic Team to support the learners who had not managed very well with remote delivery.

The change in delivery certainly had a negative impact on our learners' outcomes and progression into the second year of the technical certificate or Higher Education. Of those learners due to complete their Apprenticeship programme during the 2019-2020 training year, approximately 40 are only now at the EPA (End Point Assessment) stage of the Apprenticeship, a high number have progressed and been successful. Working with two of the EPAOs (End Point Assessment Organisation) has been challenging to say the least, which included these organisations trying to carry out remote EPA which we must say has proven difficult and slightly unfair on the Apprentices.

Part of the delay was due to a high number of apprentices being placed on Furlough, with some still in these arrangements at the start of 2021. During the academic year 2019/2020 we chose to make use of the flexibilities by applying for Calculated Assessment Grades (CAGs) however, we had some challenges with this process delaying the release of grades to learners and their employers' way beyond our initial anticipated timescales. We chose not to use CAGs in the academic year 2020/2021, but provided additional support for the learners at GET's expense. We did however have agreements to provide additional paid support for learners when we identified clear instances where the learners had not made the effort to progress with their work. Over 50 learners failed to achieve one or more modules at Level 2 or Level 3 Technical Certificate and over 15 learners failed one or more modules of their HNC/D. We have never experienced failure rates of this level since our inception some 44 years ago.

A review of last year's delivery was undertaken, and measures were put in place to avoid similar issues should we be forced to close the centre again in the future and implement remote online delivery. Thankfully the future looks brighter with the centre now being back in full operational delivery, however, there is still a lot of work to be done to get the back log up to date and to keep existing learners on track.

On a more positive note, all Level 2 practical delivery was successfully completed by the second week in August this year. This was down to the learner's commitment and the dedication of the staff within the Practical Delivery Team which included working on a shift rotation basis. This means all the learners can now progress to the development (Level 3) stage of their Apprenticeship.

Financially we anticipated 2020/2021 was going to be a tough year due to reduced learner numbers and hence the surplus generated in 2019/2020 has been used to support this downturn. However, recruitment for 2021/2022 has been positive with 73 new Level 3 learners and 8 new Level 2 learners. Higher Education numbers for HNC/D were 52, and we will also welcome a new group of Engineering Surveyors in January 2022, as well as a cohort of 8 Surveyors transferring to GET to complete a materials unit. There is also a high level of interest from our employer network who wish to recruit for a January 2022 Level 3 intake, a total of 15 at present. Commercial training has hit an all-time high with GET getting on average 5-7 requests for information a week.

As GET had to make reductions to staffing during the initial covid outbreak, losing a total of 14 staff, we are now focusing on recruitment of 3 Work Based Assessors, 2 Instructors and a 1st Year Learner Co-ordinator to support delivery of the positive learner number growth. We also need to replace staff who have left GET for personal reasons recently along with future proofing and succession planning.

As a consequence of staff adjustments, GET have reviewed the staff:learner ratio & has identified a more efficient operating model which has resulted in current recruitment levels being satisfied however external demand currently exceeds our ability to deliver.

It has been another challenging year for everyone, these challenges are reducing on a weekly basis. I want to thank all the staff at GET for their continued hard work, efforts, and commitments during these extremely difficult times. I would also like to thank all our customers for their patience and ongoing support.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
CHAIRMAN'S REPORT
for the year ended 31 August 2021

August this year saw another milestone at GET, Linsey Temple decided it was time to move onto pastures new after 25 years' service and Warren Thomas (previously Operations Director) was appointed as the new CEO at GET. I would like to wish both Linsey and Warren well for the future.

Tristram Southgate
Chairperson
Gloucestershire Engineering Training

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2021

The Management Board presents its report, including the Directors' Report as required by the Companies Act 2006, and audited financial statements for the year ended 31 August 2021.

Structure, Governance and Management

Governance Document

The organisation is a charitable company limited by guarantee. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the Charitable Company being wound up trustees are required to contribute an amount not exceeding £20.

Recruitment and Appointment of Management Board

The Directors of the Charitable Company are also charity trustees for the purposes of charity law and under the Company's Articles of Association are known as trustees of the Management Board. Under the requirements of the Memorandum and Articles of Association membership will terminate automatically three years from the date of admission to membership. Members may then reapply as provided in article 10(2). (The wording of 10(2) is below)

10(2) Membership is open to organisations/companies which are engaged in industry, engineering, manufacturing or commerce and who:

- a) Apply to the charity in the form required by the Directors; and
- b) Are approved by the Directors.

The Management Board consists of a Chairman and Vice Chairman, the minimum number of Directors shall be 4 and the maximum shall be 12 and the majority of the Board must be "Industry Directors".

To qualify for appointment as a Director a person must:

- a) be employed by or be a Director of a company or organisation involved in industry, engineering manufacturing or commerce; or
- b) have previously worked in industry, engineering manufacturing or commerce for a number of years so as to have extensive experience of such sectors; or
- c) have professional or other relevant skills ("Independent Directors").

Management Board Induction and Training

As direct customers and users of the Charitable Company's training and development resource in-coming Directors are generally familiar with the operational goals and principles of the Association. Those who are not are provided with an appropriate induction.

Risk Management

The major risk to which the Charitable Company is exposed is the reduction in Government funding. The Management Board monitor and evaluate this and other risks by holding regular Board meetings. Budgets are prepared and updated to predict possible losses arising from these risks.

Organisational Structure

The Charitable Company is divided into four departments; Business Support Team, Work Based Assessors, Practical Delivery Team and Academic Delivery Team. The day to day management of the Charitable Company rests with the CEO, with delegated responsibilities to the Senior Management Team. The Business Services Team provides support services throughout the organisation and includes Finance and IT. The Work Based Assessor Team reviews and internally quality assures the learner portfolios to ensure that the Apprenticeship programme is achieved. The Practical Delivery Team provides off the job training on the workshop whereas the Academic Team provide the classroom-based elements which includes our commercial HE offering and functional skills.

As a Charity we regularly benchmark our remuneration and benefits packages against a variety of measures – firstly we look at the local market rates by comparing our salaries and T&Cs against our competitors, we look at benchmarking against other Group Training Associations (GTA) across the UK and also use national statistics from public research (KPMG etc). We aim to make sure we are at least competitive and are paying the market rates but also need to make our offer attractive without being overly excessive to the market position. This activity is completed internally by HR and the CEO and presented and discussed at Board level.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2021

External Stakeholders

Gloucestershire Engineering Training Limited is audited by both the engineering lead body and by the authorised government agencies. The Charitable Company is contracted by the Gloucestershire Learning and Skills Council to deliver Apprenticeship programmes.

Objectives and Strategies

The Memorandum and Articles of Association of the Charitable Company state that the objects for which the Charitable Company is established are:

- i) to promote and advance adequate training of persons employed or intending to be employed in industry and commerce;
- ii) subject to the foregoing object, to extend such training to members of the public generally.

The objectives are achieved by the provision of a training centre, training courses and instruction and the obtaining and provision of grants to individuals engaged in such training or education. There have been no major policy changes during the year.

Achievements and Performance

Given the challenges we have faced this year, the Trustees think it is commendable how the organisation and the staff within have adjusted to the situation and maintained delivery as much as possible.

Practical Delivery – the training year was extended from 30 July 2020 to 20 August 2021 and 100% of first year learners completed their training, this was a reduced number of 38 due to COVID. Some learners even finished slightly earlier and returned to their employer's premises ahead of the revised date. Longer days and extra hours were put into the programme to ensure learners were completed and ready to return to their employers before the next cohort started in September 2021.

Academic Delivery – the academic delivery finished as planned. We did not utilise the opportunity provided around CAGs (Centre Assessment Grades) in 2020-2021. We were fortunate enough to complete the delivery with a blend of remote and face to face delivery. This was a challenge and often staff would work above and beyond their required hours to support learners on a one to one basis.

Failure rates for the academic year 2019-2020 were higher than normal due to COVID. Learners who unfortunately failed modules in 2019-2020 were given the opportunity to repeat the training in 2020-2021. The failures were down to either 1) the learners' attitude and engagement or 2) as a result of the pandemic (remote delivery) and in some cases a mixture of both. Additional delivery in the 2020-2021 training year has resulted in additional costs, with employers asked to contribute towards the cost of delivering the modules again. Positively all completed their modules by July 2021.

Work Based Assessment – as much work was conducted as possible to keep learners progressing but the reality was that the majority of learners were placed on Furlough and therefore could not really continue to gather much evidence during this time. Those learners who were not on Furlough were generally working on special projects and not on work that could be used for their NVQ 3.

This has created a knock-on effect in terms of timely completions and those learners who need to complete EPA (End Point Assessment). The team is working hard with the employers to get the apprenticeships completed and we have recruited a further two members of staff within the team to support this.

Overall our success and achievement rate has fallen to 62% in comparison to our usual rate of approximately 95%. However our success rate is now very much on a positive trajectory and it is predicted we will be back to around 95-96% success rate for 2021-2022.

Whilst our apprentice numbers were significantly lower than normal (as mentioned in the operation part of these accounts), the HE numbers remained at a similar level to pre-pandemic numbers. Interestingly we have also seen a significant increase in the volume of enquiries we have received for commercial training.

Whilst we remain committed to our charitable objectives, this continues to be a challenge due to the external impact of the pandemic and we continue to offer some support remotely.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2021

Financial Review

The results for the year are set out in the statement of financial activities on page 12 and the related notes to these financial statements.

The original budget at the beginning of the year predicted a deficit of £294k. 6 months into the year, we provided a reforecast for the remainder of the year which saw these figures improve to a deficit of £119k, with the improvement mainly due to staff cost savings and reduced IT expenditure.

We ended 2020-2021 with a deficit of £275k, £156k more than the revised forecast due to delayed End Point Assessments (EPAs) income due to the continuing impact of COVID.

The 2021-22 training year has started well with 73 learners starting their apprenticeships at GET in September 2021 and looking forward, we are expecting to end 2021-2022 with a surplus of £144k.

Principal Funding Sources

The principal funding source is primarily our employer customer base supported by the Education and Skill Funding Agency funding for Apprenticeships in the main via the Apprenticeship Levy. There are issues surrounding the funding for non-levy paying businesses and we continue to utilise the levy transfer function where possible to support this.

We understand the requirements under Charity regulations to disclose our involvement in fundraising. The Charity is not involved in such activities as all monies are generated from commercial activities and charitable activities funded by local employers, supported by government funding. The Charitable Company does not have any volunteers.

Investment Policy

The Charitable Company does not have an investment portfolio. All funds are held in bank deposit accounts and monitored regularly by the Board.

Reserves Policy

The Trustees reserves policy was to build reserves to hold sufficient funds to cover 3 or 6 months' operating costs. This policy is currently under review in light of future plans to expand the Charitable Company's activities in the future, as set out below.

Plans for Future Periods

Given the impact of the pandemic and the uncertainty around future operations (Brexit and the ongoing Pandemic), it was decided that a move to new premises would not be undertaken at the end of the lease in 2022 as planned. The aim is now to sign a new lease with a break out option, with the following agreed as part of our Strategy and Business Plan:

- Increase the number of Apprentices undertaking the Level 3 programme to an optimum number of 85-90 with current staffing levels
- Convert the majority of our Commercial HE on to L4 Apprenticeship programmes
- Continue to grow and improve our commercial offering, which has shown very positive growth in 2021
- Identify new income opportunities
- Review financial structures in an attempt to move away from shortfall deposits

A new business plan, together with the review of the reserves policy, is underway to add more detail and context to the above objectives.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
MANAGEMENT BOARD'S REPORT
for the year ended 31 August 2021

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

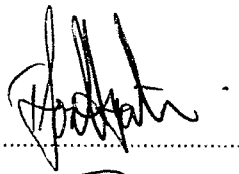
Statement of Disclosure to Auditor

- a) so far as the trustees of the Management Board are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- b) they have taken all steps that they ought to have taken as trustees of the Management Board in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

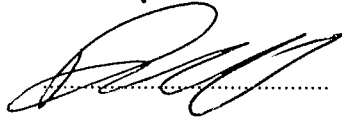
By order of the Board

T Southgate
Chairman



.....

A Powell
Vice Chair



.....

Date: 26/11/2021

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

The management board are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP (Accounting and Reporting by Charities – Statement of Recommended Practice);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The management board 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

Opinion

We have audited the financial statements of Gloucestershire Engineering Training Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

Matters on which we are required to report by exception

In the light of the 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 included in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of Trustees

The Trustees are responsible for the other information. As explained more fully in the Management Board's Responsibilities statement set out on page 8 the Trustees (who are also the Directors of the 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 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, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Charitable Company financial statements or that had a fundamental effect on the operations of the Charitable Company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and Charity SORP and we considered the extent to which non-compliance might have a material effect on the financial statements;
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions and significant one-off or unusual transactions.
- Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included, but were not limited to:
 - communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout the audit;
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates; and
 - identifying and testing journal entries, in particular any journal entries with unusual characteristics.

**GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT BOARD OF GLOUCESTERSHIRE
ENGINEERING TRAINING LIMITED**

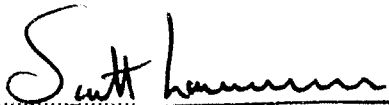
- Our audit procedures in relation to fraud included, but were not limited to:
 - making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
 - gaining an understanding of the internal controls established to mitigate risks related to fraud;
 - discussing amongst the engagement team the risks of fraud; and
 - addressing the risks of fraud through management override of controls by performing journal entry testing.

We consider that our procedures are sufficient to detect irregularities, including fraud, although they are not designed specifically for the detection of irregularities. The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Scott Lawrence FCA
(Senior Statutory Auditor)

For and on behalf of:
Hazlewoods LLP
Chartered Accountants and Statutory Auditors
Staverton Court
Staverton
Cheltenham
GL51 0UX

Date:.....01/12/21

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2021

| | Note | Unrestricted Funds | |
|--|------|--------------------|-----------|
| | | 2021 | 2020 |
| | | £ | £ |
| Income from charitable activities | | | |
| - Practical Delivery | 3 | 614,035 | 1,042,741 |
| - Academic | 3 | 960,393 | 1,462,563 |
| - Work Based Assessors | 3 | 481,423 | 933,598 |
| | | 2,055,851 | 3,438,902 |
| Investment income | | | |
| Interest receivable | | 225 | 1,524 |
| Other income | | | |
| Grants receivable | 6 | 70,981 | 48,321 |
| | | 2,127,057 | 3,488,747 |
| Expenditure on charitable activities | | | |
| - Practical Delivery | 4 | 816,745 | 1,188,346 |
| - Academic | 4 | 1,110,254 | 1,398,820 |
| - Work Based Assessors | 4 | 474,917 | 628,821 |
| | | 2,401,916 | 3,215,987 |
| Net (deficit) / surplus for the year | | (274,859) | 272,760 |
| Fund balances brought forward at beginning of year | | 644,188 | 371,428 |
| Fund balance carried forward at end of year | | 369,329 | 644,188 |

The Statement of Financial Activities includes all gains and losses in the year therefore a statement of recognised gains and losses has not been prepared.

All income and expenditure is derived from continuing activities.

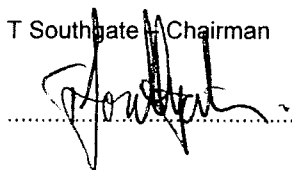
GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL POSITION
31 August 2021

| | Note | Unrestricted funds | |
|--|------|--------------------|-------------|
| | | 2021 | 2020 |
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 10 | 300,524 | 389,156 |
| CURRENT ASSETS | | | |
| Debtors | 11 | 1,898,302 | 2,383,139 |
| Cash at bank and in hand | | 1,124,265 | 1,288,452 |
| | | <hr/> | <hr/> |
| | | 3,022,567 | 3,671,591 |
| CREDITORS | | | |
| due within one year | 12 | (1,109,699) | (1,354,122) |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 1,912,868 | 2,317,469 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,213,392 | 2,706,625 |
| CREDITORS | | | |
| due after more than one year | 12 | (1,844,063) | (2,062,437) |
| | | <hr/> | <hr/> |
| NET ASSETS | | 369,329 | 644,188 |
| | | <hr/> | <hr/> |
| TRUSTEES' FUNDS | | | |
| Retained surplus | | 369,329 | 644,188 |
| | | <hr/> | <hr/> |

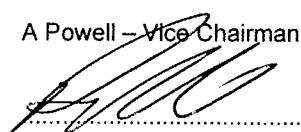
These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102.

Approved by the Board and authorised for issue on 26th November 2021.

T Southgate – Chairman



A Powell – Vice Chairman



Company number: 01300119

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

| | Note | 2021 £ | 2020 £ | |
|--|--------------------------------|------------------|-----------------------------------|------------------------------|
| Cash flows from operating activities | | | | |
| Net movement in funds | | (274,859) | 272,760 | |
| Adjustments to cash flow from non-cash items: | | | | |
| Depreciation and amortisation | 4,5 | 125,697 | 136,057 | |
| Profit on disposal of fixed assets | 4,5 | - | (377) | |
| Finance income | | (225) | (1,524) | |
| Finance cost | | 3,055 | 3,143 | |
| | | (146,332) | 410,059 | |
| Working capital adjustments: | | | | |
| Increase in debtors | | 485,382 | (621,398) | |
| Increase in creditors | | (450,495) | 655,007 | |
| Net cash flow from operating activities | | (111,445) | 443,668 | |
| Cash flows from investing activities | | | | |
| Interest received | | 225 | 1,524 | |
| Acquisitions of fixed assets | 10 | (37,065) | (16,413) | |
| Proceeds from sale of fixed assets | | - | 1,009 | |
| Net cash flows from investing activities | | (36,840) | (13,880) | |
| Cash flows from financing activities | | | | |
| Hire purchase interest | | (2,787) | (3,143) | |
| Loan interest | | (268) | - | |
| Movements in finance leases | | (10,764) | (10,764) | |
| Repayment of loans | | (2,083) | - | |
| Draw down on new loans | | - | 125,000 | |
| Net cash flows from financing activities | | (15,902) | 111,093 | |
| Net movement in cash and cash equivalents | | (164,187) | 540,881 | |
| Cash and cash equivalents at 1 September | | 1,288,452 | 747,571 | |
| Cash and cash equivalents at 31 August | | 1,124,265 | 1,288,452 | |
| Analysis of changes in net debt | | | | |
| | At 1 September 2020 £ | Cash flows £ | Other non cash changes £ | At 31 August 2021 £ |
| Cash and cash equivalents | | | | |
| Cash | 1,288,452 | (164,187) | - | 1,124,265 |
| Borrowings | | | | |
| Due within 1 year | - | 2,083 | (27,083) | (25,000) |
| Due after more than 1 year | (125,000) | - | 27,083) | (97,917) |
| Total net debt | 1,163,452 | (162,104) | - | 1,001,348 |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

1 GENERAL INFORMATION

The company is a private Charitable Company limited by guarantee, registered in England and Wales.

The address of its registered office is:
Barnwood Point
Corinium Avenue
Gloucester
GL4 3HX

2 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

The presentational currency of the financial statements is Pound Sterling, being the functional currency of the primary economic environment in which the Charitable Company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Gloucestershire Engineering Training Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees' assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charitable Company to continue as a going concern. The trustees' make this assessment in respect of a period of at least one year from the date of approval of the financial statements. In making this assessment the trustees review forecasts prepared and consider the position of the Charitable Company at the date of signing the financial statements.

Key assumptions included in the forecasts include the Charitable Company's dependence on apprenticeship numbers continuing to increase however 85-90 learners has been identified as the most efficient operational volume. The forecasts also reflect the decision to postpone a move to new premises for another 5/6 years, which will provide the Charitable Company with the opportunity to review the financial structures of the organisation whilst also identifying and exploring new income opportunities.

On review, the trustees' have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Format of Accounts

The Company is a registered charity and is not, therefore, a profit making organisation. In the opinion of the Management Board, references required by the Companies Act 2006 to profits are misleading in the context of the Charitable Company's activities and have therefore been substituted by the term surplus where appropriate.

The Charitable Company has no costs which are directly attributable to sales and is therefore unable to adopt any of the statement of financial activities formats prescribed by the Companies Act 2006.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

2 ACCOUNTING POLICIES (Continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have been identified by management in preparing these financial statements.

Key sources of estimation uncertainty have been identified by management in preparing these financial statements as follows:

Shortfall deposits

The Charitable Company report shortfall deposits on the balance sheet aged with regard to management's best estimate of the expected repayment periods of the shortfall deposits.

The discounting element is considered immaterial and therefore no adjustment has been made.

Dilapidation provision

A provision is made in respect of costs that may be incurred at cessation of the property lease in order to return the property to the same state as when the lease was entered into. This estimate is based on management's review of dilapidation costs incurred on similar properties.

The discounting element is considered immaterial and therefore no adjustment has been made.

Accrued income

Accrued income is recognised in respect of funding due to be received, as the Charitable Company provides learner training, based on historical achievement rates of apprentices.

Incoming Resources

Incoming resources represent fees receivable for training services provided by the Charitable Company during the year and is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable under Model 35 are recognised under the accrual model. They are held in creditors as deferred income until such time as the Charitable Company can be reasonably certain that the funds can be taken as revenue, rather than being repaid to the Government or passed on to sponsoring companies.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation

Depreciation is calculated to write off the cost of tangible assets over their estimated useful lives at the following rates:

| | |
|------------------------------------|---------------------------|
| Improvements to leasehold property | Over 10 years |
| Plant and equipment | 10%-33% of cost per annum |
| Motor vehicles | 25% of cost per annum |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

2 ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than one month from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activity over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included within Other Costs.

Borrowings are classified as current liabilities unless the Charitable Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating Leases

The cost of operating leases has been charged to the statement of financial activities on a straight line basis over the term of the term.

Hire Purchase

Assets acquired under hire purchase have been recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability has been included under creditors due within or after one year. The interest element is charged to the statement of financial activities and represents a constant proportion of the balance of capital repayments outstanding.

Resources Expended

All expenditure is accounted for under the accruals concept. The Charitable Company has only one main activity: the provision of training services. All costs, other than professional fees are allocated to the main charitable activity. Within the main charitable activity, costs are allocated across Practical, Academic and Assessment costs. These allocations are based on direct apportionment except for premises costs, which are allocated on approximate floor space and usage. Professional fees are allocated to governance costs.

Fund structure

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

Pensions

Contributions payable on behalf of employees to the defined contribution pension scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

3 INCOME

| 2021 | Practical Delivery £ | Academic £ | Work Based Assessors £ | Total £ |
|-----------------------------------|-------------------------------------|-----------------------|---------------------------------------|--------------------|
| Government funded apprenticeships | 579,324 | 376,706 | 471,383 | 1,427,413 |
| Commercial courses | 34,173 | 583,367 | 9,928 | 627,468 |
| Other income | 538 | 320 | 112 | 970 |
| | 614,035 | 960,393 | 481,423 | 2,055,851 |
| 2020 | Practical Delivery £ | Academic £ | Work Based Assessors £ | Total £ |
| Government funded apprenticeships | 1,032,975 | 898,475 | 792,505 | 2,723,955 |
| Commercial courses | 8,000 | 562,225 | 140,112 | 710,337 |
| Other income | 1,766 | 1,863 | 981 | 4,610 |
| | 1,042,741 | 1,462,563 | 933,598 | 3,348,902 |

All income relates to services provided.

During the year government funding income totalling £1,723,301 (2020 - £1,957,614) was received from the Education and Skill Funding Agency under the agreed training framework.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

4 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Practical Delivery | Academic | Work Based Assessors | 2021 Total | 2020 Total |
|-------------------------|-----------------------|------------------|-------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 337,215 | 678,759 | 282,591 | 1,298,565 | 1,818,198 |
| Building costs | 124,130 | 89,959 | 12,180 | 226,269 | 338,778 |
| Motor and travel | 150 | 20 | 1,628 | 1,798 | 9,540 |
| Depreciation | 35,422 | 14,001 | - | 49,423 | 58,222 |
| Business support costs | 288,223 | 322,131 | 169,543 | 779,897 | 943,158 |
| Governance costs | 11,568 | 12,930 | 6,805 | 31,303 | 17,315 |
| Disposal of fixed asset | - | - | - | - | 111 |
| Equipment costs | 14,403 | 2,037 | 422 | 16,862 | 29,567 |
| Other costs | 5,634 | (9,583) | 1,748 | (2,201) | 1,098 |
| 2021 | 816,745 | 1,110,254 | 474,917 | 2,401,916 | |
| 2020 | 1,188,346 | 1,398,820 | 628,821 | | 3,215,987 |

5 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charitable Company identifies the support and governance functions and the costs which relate to them. These costs are then allocated between the practical delivery, academic and work based assessors departments by the number of employees in the department.

| | Business Support | Governance | 2021 Total | 2020 Total |
|---------------------------|---------------------|---------------|----------------|----------------|
| | £ | £ | £ | £ |
| Staff costs | 469,391 | - | 469,391 | 525,842 |
| Building costs | 43,469 | - | 43,469 | 48,277 |
| Non reclaimable input VAT | 72,751 | - | 72,751 | 82,195 |
| Motor and travel | (845) | - | (845) | 12,240 |
| Advertising | 4,357 | - | 4,357 | 13,674 |
| Depreciation | 76,274 | - | 76,274 | 77,736 |
| Disposal of fixed assets | 40 | - | 40 | (488) |
| Equipment costs | 7,570 | - | 7,570 | 8,828 |
| Other costs | 106,890 | 31,303 | 138,193 | 192,169 |
| 2021 | 779,897 | 31,303 | 811,200 | |
| 2020 | 943,158 | 17,315 | | 960,473 |

6 GOVERNMENT GRANTS

The Charitable Company received amounts totalling £70,981 (2020 - £48,321) from the Government under the Coronavirus Job Retention Scheme.

The Coronavirus Job Retention Scheme is a government grant relating to a wage subsidiary programme introduced in the United Kingdom in response to the COVID-19 pandemic. The charity was entitled to the wage subsidy because it had reduced operations in the United Kingdom as a result of the pandemic. The accounting policy adopted is set out in Note 2 to the financial statements.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

7 AUDITORS' REMUNERATION

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| | £ | £ |
| Auditors' remuneration (net of VAT) | | |
| Costs of external scrutiny | 7,833 | 7,000 |
| Other financial services | 2,146 | 2,892 |
| | <u>9,979</u> | <u>9,892</u> |

8 STAFF COSTS

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,502,387 | 1,974,787 |
| Social security costs | 154,376 | 206,976 |
| Pension costs | 64,509 | 80,343 |
| Other staff costs | 46,682 | 81,933 |
| | <u>1,767,954</u> | <u>2,344,039</u> |

The Charitable Company operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. No contributions were outstanding at the end of the current or prior year.

Included within the wages and salaries are ex gratia payments totalling £nil (2020 - £38,014).

The key management personnel of the Charitable Company comprise the Management Board and Senior Management Team as listed on page 1. The Management Board, being the trustees, received no remuneration or reimbursement of expenditure. The total amount of employee benefits (including employer pension contributions) received by the Senior Management Team for their services to the Company was £255,177 (2020 - £325,214).

| Key management personnel | 2021 | 2020 |
|--|-------------|-------------|
| The number of key management personnel | 5 | 7 |
| | <u>5</u> | <u>7</u> |

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

| | 2021 | 2020 |
|-------------------------|----------|----------|
| £80,001 to £90,000 p.a | 1 | 1 |
| £90,001 to £100,000 p.a | 1 | 1 |
| | <u>1</u> | <u>1</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

8 STAFF COSTS (continued)

The average number of employees was:

| | 2021 | 2020 |
|--|------|------|
| Senior Management Board (And CEO HR and Finance) | 7 | 8 |
| Business Support | 3 | 6 |
| Workshop (Practical delivery) | 10 | 17 |
| VRQ (Academic team) | 16 | 19 |
| Review Officers | 8 | 10 |
| | 44 | 60 |

9 TAXATION

As a registered charity the Charitable Company has no liability in respect of taxation.

10 TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Plant and machinery £ | Total £ |
|-----------------------|--------------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 September 2020 | 637,918 | 670,551 | 1,308,469 |
| Additions | - | 37,065 | 37,065 |
| Disposals | - | (12,846) | (12,846) |
| At 31 August 2021 | 637,918 | 694,770 | 1,332,688 |
| Depreciation | | | |
| At 1 September 2020 | 452,556 | 466,757 | 919,313 |
| Charge for year | 62,797 | 62,900 | 125,697 |
| Disposals | - | (12,846) | (12,846) |
| At 31 August 2021 | 515,353 | 516,811 | 1,032,164 |
| Net book value | | | |
| At 31 August 2021 | 122,565 | 177,959 | 300,524 |
| At 31 August 2020 | 185,362 | 203,794 | 389,156 |

Included within plant and machinery are assets held under hire purchase leases with a net book value of £65,659 (2020 - £74,041). The depreciation charged on these assets in the year was £8,382 (2020 - £8,382).

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

11 DEBTORS

| | 2021 | 2020 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 4,504 | 9,493 |
| Prepayments and accrued income | 1,893,253 | 2,376,646 |
| Other debtors | 545 | - |
| | <u>1,898,302</u> | <u>2,383,139</u> |

Included with accrued income is £1,044,534 (2020 - £1,480,132) due in more than one year.

12 CREDITORS

| | Note | 2021 | 2020 |
|---|-------------|------------------|------------------|
| | | £ | £ |
| Due within one year | | | |
| Loans and borrowings | 13 | 25,000 | - |
| Net obligations under finance lease and hire purchase contracts | 13 | 9,571 | 10,164 |
| Trade creditors | | 105,597 | 26,325 |
| Taxation and social security | | 48,867 | 52,346 |
| Accruals | | 13,156 | 57,116 |
| Other creditors | | 907,508 | 1,208,171 |
| | | <u>1,109,699</u> | <u>1,354,122</u> |
| Due after one year | | | |
| Loans and borrowings | 13 | 97,917 | 125,000 |
| Dilapidations provision | | 175,000 | 175,000 |
| Other creditors | | 1,549,322 | 1,730,442 |
| HP Liability | 13 | 21,824 | 31,995 |
| | | <u>1,844,063</u> | <u>2,062,437</u> |

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

13 LOANS AND BORROWINGS

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Due within one year | | |
| Bank loans | 25,000 | - |
| Net obligations under finance lease and hire purchase contracts | 9,571 | 10,164 |
| | <u>34,571</u> | <u>10,164</u> |
| Due after one year | | |
| Bank loans | 97,917 | 125,000 |
| Net obligations under finance lease and hire purchase contracts | 21,824 | 31,995 |
| | <u>119,741</u> | <u>156,995</u> |

Hire purchase liabilities are secured over the assets to which they relate.

During the prior year the Charitable Company drew down a loan under the Coronavirus Business Interruption Loan Scheme. The loan is repayable by instalments over six years, with £nil (2020 - £22,977) repayable by instalments after more than five years. The loan incurs interest after 12 months at 2.75% and is secured over the assets of the Charitable Company.

14 SHARE CAPITAL

The Charitable Company does not have any share capital as it is limited by guarantee. Each of the trustees is a guarantor to the extent of £20 in the event of the Charitable Company being wound up whilst they are trustees, or within one year of them ceasing to be trustees in respect of debts and liabilities contracted before they ceased to be a member.

15 FUNDS

The net assets of the Charitable Company are held as an unrestricted fund.

GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

16 OTHER FINANCIAL COMMITMENTS

As at 31 August 2021 the following annual commitments were held under non-cancellable agreements:

| 2021 | Land and buildings | Other | Total |
|----------------------------|---------------------------|--------------|--------------|
| | £ | £ | £ |
| Expiry date: | | | |
| Within one year | 166,600 | 11,164 | 177,764 |
| Between two and five years | - | 29,433 | 29,433 |
| Over 5 years | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| | 166,600 | 40,597 | 207,197 |
| | <hr/> | <hr/> | <hr/> |
| 2020 | | | |
| | Land and buildings | Other | Total |
| | £ | £ | £ |
| Expiry date: | | | |
| Within one year | 166,600 | 11,164 | 177,764 |
| Between two and five years | 166,600 | 40,597 | 207,197 |
| Over 5 years | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| | 333,200 | 57,761 | 384,961 |
| | <hr/> | <hr/> | <hr/> |

The amount of non-cancellable land and buildings operating lease payments and other lease payments recognised as an expense during the year was £166,600 (2020 - £166,600) and £11,164 (2020 - £30,647) respectively.

17 DEFINED PENSION CONTRIBUTION SCHEME

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £64,509 (2020 - £80,343).

18 RELATED PARTIES

During the prior year the Charitable Company was provided with legal services by Davies and Partners, a legal firm of which J Rodrigues, a trustee, is a partner. Up until 29 November, the date J Rodrigues resigned as a trustee, Davies and Partners provided legal advice totalling £nil (2020 - £475) in the financial year. The balance outstanding at the year end was £nil (2020 - £nil).