

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 Brunsdon (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
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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 Phelpsstead	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


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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

				Total Funds	
	Note	Unrestricted funds	Designated 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.

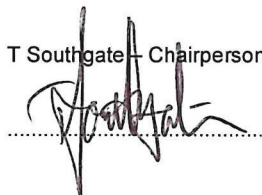
GLOUCESTERSHIRE ENGINEERING TRAINING LIMITED (By Guarantee)
STATEMENT OF FINANCIAL POSITION
31 August 2022

		Total Funds	
	Note	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
		<hr/>	<hr/>
		2,874,999	3,022,567
CREDITORS			
due within one year	12	(1,059,295)	(1,109,699)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,815,704	1,912,868
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,032,281	2,213,392
CREDITORS			
due after more than one year	12	(727,278)	(1,844,063)
		<hr/>	<hr/>
NET ASSETS		1,305,003	369,329
		<hr/>	<hr/>
TRUSTEES' FUNDS			
Retained surplus (Unrestricted funds)	15	601,142	369,329
Designated funds	15	703,861	-
		<hr/>	<hr/>
		1,305,003	369,329
		<hr/>	<hr/>

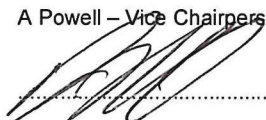
These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard 102.

Approved by the Board and authorised for issue on 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

	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	<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
	<u>44</u>	<u>44</u>

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)
	<u>638,363</u>	<u>707,122</u>	<u>1,345,485</u>
At 31 August 2022			
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)
	<u>577,941</u>	<u>550,967</u>	<u>1,128,908</u>
At 31 August 2022			
Net book value			
At 31 August 2022	60,422	156,155	216,577
	<u>122,565</u>	<u>177,959</u>	<u>300,524</u>
At 31 August 2021			

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			
	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/>

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).