

THE ENGINEERING TRUST

England & Wales · Charity number 287075

Details

Other names	OXFORD AND DISTRICT TRAINING GROUP LIMITED, O D T G
Status	Registered
Legal form	Charitable company
Company number	01706333
Registered	1983-08-11
Register	View on the Charity Commission register

Contact

Address	11 Wedgwood Road Bicester Oxfordshire OX26 4UL
Phone	01993882008
Email	info@theengineeringtrust.org
Website	www.theengineeringtrust.org

Activities

Objects: 3 (A) TO PROMOTE ADEQUATE TRAINING OF PERSONS EMPLOYED OR INTENDING TO BE EMPLOYED IN INDUSTRY AND COMMERCE. (B) TO EXTEND SUCH PROVISION OR ASSISTANCE TO THE TRAINING OR EDUCATION OF MEMBERS OF THE PUBLIC GENERALLY.

Activities: To promote adequate training of persons employed, or intending to be employed, in industry and commerce. To extend such provision or assistance to the training or education of members of the public generally.

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

Geography

- Bedford
- Buckinghamshire
- Devon
- Gloucestershire
- Hertfordshire
- Kent
- Milton Keynes
- Oxfordshire
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,734,521	£1,710,122	£185,640	24
2024-08-31	£1,521,593	£1,467,194	£184,306	23
2023-08-31	£1,186,860	£1,203,362	£154,047	14
2022-08-31	£823,430	£1,002,439	£180,289	0
2021-08-31	£594,690	£655,631	£359,298	0

Trustees

Name	Role	Appointed
Beverley O'Farrell		2024-02-26
Clare Wilcox		2023-09-28
Daniel Peters		2025-07-11
Nick Locke		2023-03-22
RICHARD JOHN MORRIS		2018-01-23
Sarah dawn Jaycock		2021-07-13
Shane Chambers		2025-07-11

THE ENGINEERING TRUST

England & Wales - Charity number 287075

Accounts

Charity Registration No. 287075

Company Registration No. 01706333 (England and Wales)

THE ENGINEERING TRUST
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

THE ENGINEERING TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee Directors	Ms S D Jaycock	
	Mr B S Knott	(Resigned 11 July 2025)
	Mr N J B Locke	
	Mr R J Morris	
	Ms B A O'Farrell	
	Ms C T Wilcox	
	Mr D T Peters	(Appointed 11 July 2025)
	Mr S Chambers	(Appointed 11 July 2025)
Charity number	287075	
Company number	01706333	
Registered office	11 Wedgwood Road Bicester	
	Oxfordshire	
	OX26 4UL	
Auditor	Harendra Kishorlal Shah (FCCA) (Senior Auditor)	
	For and behalf of Shah & Co (Accountants) Ltd	
	Chartered Accountants & Statutory Auditors	
	Cash's Business Centre	
	1st Floor	
	228 Widdrington Road	
	Coventry	
	West Midlands	
	CV1 4PB	

THE ENGINEERING TRUST

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THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2025

The trustee directors present their annual report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with the group's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Group is made up of The Engineering Trust (The Trust) and its wholly owned subsidiary, Engineering Trust Training Limited (ETT).

The Trust is registered with the Charity Commission in England and Wales and is a company limited by guarantee registered at Companies House. The governing instrument of the company is the Memorandum and Articles of Association incorporated 14 March 1983 as amended January 2024.

Objectives and activities

The Trust and ETT continued to operate successfully in promoting engineering as a profession, encouraging careers within the sector, delivering high-quality apprenticeship training and recognising excellence among those working and learning within the industry.

The Group's principal operational activity is delivered through ETT, which provides apprenticeship training to the engineering, manufacturing and maintenance sectors. The Trust's charitable activities include engagement with schools and colleges, support for sector-wide initiatives such as National Apprenticeship Week and Women in Engineering, participation in regional apprenticeship awards, and the delivery of The Engineering Trust Annual Awards, celebrating the achievements of apprentices and employers associated with ETT.

Public benefit

The Trustees have considered the Charity Commission's guidance on public benefit and confirm that the activities of the Trust align with this guidance.

Achievements and performance

The Trust

During the year, the Trust successfully strengthened its Board through the appointment of two additional Trustees, bringing the total number to seven. This enhanced the capacity of the Board to provide effective oversight and governance across The Group.

The Trust continued its work with schools and colleges through face-to-face careers events and launched a new project aimed at supporting young people at risk of becoming NEET (not in education, employment or training). The Trust also delivered its Annual Awards, recognising excellence among apprentices and employers, and for the fourth consecutive year sponsored award categories at both the Oxfordshire Apprenticeship Awards and the North Devon Manufacturers Association Awards.

ETT

ETT continued to place future engineers into high-quality apprenticeships, with many apprentices progressing into further learning and senior or management roles following completion. ETT offers apprenticeship programmes at levels 2, 3 and 4 and currently trains more than 280 apprentices across the south of England. The organisation retains a Grade 2 'Good' rating from Ofsted, following its inspection in summer 2022.

During the year, ETT maintained a strong level of activity, with a steady flow of new apprentices and employers selecting ETT as their training provider. ETT is expected to report a profit for the 2024/25 financial year, reflecting the continued positive impact of operational changes implemented in previous years. Further improvements to financial performance remain achievable through the ongoing reduction of subcontracted provision and increased utilisation of The Engineering Skills Academy, the Group's training facility in Bicester.

The engineering sector in Oxfordshire and surrounding counties remains strong, with continued growth in regional employers and an ongoing skills shortage encouraging investment in apprenticeships. In Devon, where ETT operates a smaller cohort supported by two full-time staff, trading conditions remain positive but at a slower pace than in Oxfordshire. ETT continues to rely on subcontracted day-release provision through a local college in this region, which is expected to remain a long-term arrangement.

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial review

The 2024/25 financial year reflected the continued benefits of changes made to ETT's operating model, with the final stages of subcontracting reductions achieved and an increased number of apprentices trained at The Engineering Skills Academy. These factors contributed to a surplus for the year. This surplus has fully covered the charitable expenditure of the Trust, resulting in a surplus position for the Group as a whole.

Cash flow within ETT stabilised during the final quarter of the year, placing the Group in a strong position entering the 2025/26 financial year. The Trust will receive income from ETT's surplus generated in 2024/25, which will be reinvested to expand charitable activities in 2025/26. The Trustees remain committed to building the Trust's liquidity over the long term, recognising that this will require sustained surpluses over several years.

In recognition of the contribution made by staff across the Group to its continued success, the Trustees approved the introduction of a performance-related profit share scheme which will come into effect in 2025/26.

The objective for 2025/26 is to continue to strengthen all aspects of the Group's operations and further improve its long-term financial resilience.

Plans for future periods

The Trust

In the next financial year, the Trust plans to appoint an Outreach Lead to expand its programme of activities and increase capacity. This role will support the introduction of a STEM in Schools programme, the re-launch of the STEM Summer Courses, and the development of further initiatives aligned with the Trust's mission. The Trust will continue to support schools and colleges with careers advice and guidance, deliver its Annual Apprentice Awards in Oxfordshire and Devon, and provide ongoing support to third-party awards programmes.

ETT

In 2025/26, ETT aims to further strengthen its market position by working with additional employers, maximising new apprenticeship starts, and improving apprentice retention and completion rates. The continued development of The Engineering Skills Academy will remain central to growth, supporting both apprenticeship delivery and wider training opportunities. Recruitment, retention and sustainable organisational structure of ETT remains a key priority. Maintaining a surplus within ETT is essential as it is the primary contributor to the work of The Trust, with the intention of increasing its contribution over time.

Structure, governance and management

Governance is provided by a Board of Trustees drawn predominantly from partner organisations, offering a broad range of skills and experience. During the year, the Trustees reviewed the principal risks facing The Group and confirmed that appropriate systems and controls are in place to manage and mitigate those risks.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Statement of trustee directors' responsibilities

The trustee directors, who are also the directors of The Engineering Trust for the purpose of company law, are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Statement of trustee directors' responsibilities - continued

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustee directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Shah & Co (Accountants) Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustee directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustee directors' report was approved by the Board of Trustee Directors.



Ms S D Jaycock

Trustee director

Date: 24/2/26

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Opinion

We have audited the financial statements of The Engineering Trust (the 'trust') and its subsidiary (the 'group') for the year ended 31 August 2025 which comprise the group statement of financial activities, the charity statement of financial activities, the group balance sheet, the charity balance sheet, the group statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and Charities SORP.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent trust's affairs as at 31 August 2025 and of its incoming resources and application of resources, 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 group 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 trustee directors' 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee directors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Responsibilities of trustee directors

As explained more fully in the statement of trustee directors' responsibilities, the trustee directors, who are also the directors of the group for the purpose 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 trustee directors 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 trustee directors are responsible for assessing the group'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 trustee directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws and regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertook procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates;
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature; and
 - e. Reviewing certificates of conformity necessary in order for the company to continue to trade.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Harendra Kishorlal Shah (FCCA) (Senior Auditor)
For and behalf of Shah & Co (Accountants) Ltd
Chartered Accountants & Statutory Auditors
Cash's Business Centre
1st Floor
228 Widdrington Road
Coventry
West Midlands
CV1 4PB

Date: 24/02/2026

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

		Unrestricted funds 2025	Unrestricted funds 2024
	Notes	£	£
<u>Income and endowments from:</u>			
Charitable activities	3	2,059	42,931
Other trading activities	4	1,703,670	1,437,237
Investments	5	1,552	1,779
Other income	7	27,240	39,646
Total income		1,734,521	1,521,593
<u>Expenditure on:</u>			
Raising funds	8	1,635,037	1,383,158
Charitable activities	9	75,085	84,036
Total expenditure		1,710,122	1,467,194
Net expenditure for the year/ Net outgoing resources		24,399	54,399
Taxation	26	(23,065)	(24,140)
Net movement in funds		1,334	30,259
Fund balances at 1 September 2024		184,306	154,047
Fund balances at 31 August 2025		185,640	184,306

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

		Unrestricted funds 2025 £	Unrestricted funds 2024 £
<u>Income and endowments from:</u>	Notes		
Donations and legacies		54,061	-
Charitable activities			
Charitable	3	2,059	42,931
Investments	6	28	110
Total income		<u>56,148</u>	<u>43,041</u>
<u>Expenditure on:</u>			
Charitable activities	10	72,732	84,035
Total expenditure		<u>72,732</u>	<u>84,035</u>
Net expenditure for the year/ Net outgoing resources		<u>(16,584)</u>	<u>(40,994)</u>
Net movement in funds		<u>(16,584)</u>	<u>(40,994)</u>
Fund balances at 1 September 2024		128,575	169,569
Fund balances at 31 August 2025		<u>111,991</u>	<u>128,575</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

BALANCE SHEET

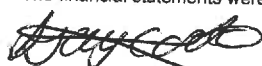
AS AT 31 AUGUST 2025

		Group 2025	2024	Trust 2025	2024
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16 & 17	165,344	162,607	-	380
Investments	18	-	-	160,000	160,000
		<u>165,344</u>	<u>162,607</u>	<u>160,000</u>	<u>160,380</u>
Current assets					
Debtors	20 & 21	222,176	231,149	3,027	5,013
Cash at bank and in hand		76,879	83,095	4,421	8,211
		<u>299,055</u>	<u>314,244</u>	<u>7,448</u>	<u>13,224</u>
Creditors: amounts falling due within one year	22 & 23	(228,772)	(258,398)	(55,457)	(45,029)
Net current assets		<u>70,283</u>	<u>55,846</u>	<u>(48,009)</u>	<u>(31,805)</u>
Total assets less current liabilities		<u>235,627</u>	<u>218,453</u>	<u>111,991</u>	<u>128,575</u>
Creditors: amounts falling due after more than one year	24	(15,085)	(22,627)	-	-
Provision for liabilities	26	(34,902)	(11,520)	-	-
Net assets		<u>185,640</u>	<u>184,306</u>	<u>111,991</u>	<u>128,575</u>
Income funds					
General unrestricted funds		<u>185,640</u>	<u>184,306</u>	<u>111,991</u>	<u>128,575</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2025, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustee Directors on 24/2/26


Ms S D Jaycock
Trustee

Company Registration No. 01706333

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	30		54,250		16,291
Investing activities					
Purchase of tangible fixed assets		(54,476)		(61,657)	
Sale of tangible fixed assets		-		48,620	
Investment income received		1,552		1,779	
Net cash used in investing activities			(52,924)		(11,258)
Financing activities					
Payment of finance lease obligations		(7,542)		(54,162)	
Net cash used in financing activities			(7,542)		(54,162)
Net decrease in cash and cash equivalents			(6,216)		(49,129)
Cash and cash equivalents at beginning of year			83,095		132,224
Cash and cash equivalents at end of year			<u>76,879</u>		<u>83,095</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Charity Information

The Engineering Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 11 Wedgwood Road, Bicester, Oxfordshire, OX26 4UL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the group's Memorandum and Articles of Association incorporated 14 March 1983 as amended January 2024, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The trust is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including the trust, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The trust has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustee directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee directors in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

The group's income is largely from the activities of Engineering Trust Training Limited. A significant proportion of this relates to contracts with the Education and Skills Funding Agency for monitoring and assessment of apprenticeships in engineering. Training revenue is recognised in the period the service is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Income from unlisted investments is recognised on a receivable basis.

Other income is made up of sponsorships, grants and a license fee for the use of the group's training facilities.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over the life of the lease
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15-25% Straight line
Office & equipment	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are held at cost.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The tax credit represents deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of financial activities because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of financial activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the statement of financial activities.

1.16 Government grants

Grants are accounted for on a received basis. Grants for capital items are credited to the cost of the fixed asset.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustee directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

-ETT Turnover

Turnover is recognized when the training service is delivered to students, not when payment is received.

- Tangible fixed assets

Depreciation is provided in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. The actual lives of these assets are reviewed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessment considers issues such as the remaining life of the assets and projected disposal values.

- Finance lease or operating lease

In determining whether leases entered into by the company, either as a lessor or lessee, are operating or finance leases, the directors have assessed whether the risks and rewards of ownership have been transferred from the lessor to the lessee on an individual lease by lease basis.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

2 Critical accounting estimates and judgements

(Continued)

The following are key sources of estimation uncertainty:

- Impairment of tangible fixed assets

In determining whether there are indicators of impairment of the company's tangible fixed assets, factors taken into consideration by the directors include the economic value in use and whether there are any expected future cash flows to be generated from such assets.

3 Charitable activities – Consolidated and Trust

	Summer Camp Income	Summer Camp Income
	2025	2024
	£	£
Sales within charitable activities	2,059	42,931
	<u>2,059</u>	<u>42,931</u>

4 Other trading activities – Consolidated

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Engineering apprenticeships and other work-based training	1,703,670	1,437,237
	<u>1,703,670</u>	<u>1,437,237</u>

5 Investments – Consolidated

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Interest receivable	1,552	1,779
	<u>1,552</u>	<u>1,779</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

6 Investments – Trust

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Interest receivable	28	110
	<u>28</u>	<u>110</u>

7 Other income – Consolidated

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Sponsorship and grant revenue	9,000	17,755
License to occupy income	<u>18,240</u>	<u>21,891</u>
	<u>27,240</u>	<u>39,646</u>

8 Raising funds – Consolidated

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
<u>Trading costs</u>		
Direct costs	312,941	167,024
Support costs	<u>1,322,096</u>	<u>1,216,134</u>
	<u>1,635,037</u>	<u>1,383,158</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

9 Charitable activities – Consolidated

	2025 £	2024 £
Depreciation	380	380
Direct costs	21,422	44,651
	<u>21,802</u>	<u>45,031</u>
Share of support costs (see note 11)	43,723	29,705
Share of governance costs (see note 11)	9,560	9,300
	<u>75,085</u>	<u>84,036</u>

10 Charitable activities – Trust

	2025 £	2024 £
Depreciation	380	380
Direct costs	21,422	44,651
	<u>21,802</u>	<u>45,031</u>
Share of support costs (see note 12)	41,370	29,705
Share of governance costs (see note 12)	9,560	9,300
	<u>50,930</u>	<u>39,005</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

11 Support costs – Consolidated

	Support costs	Governance costs	2025 Support costs	Governance costs	2024
	£	£	£	£	£
Staff costs	986,609	-	986,609	849,076	849,076
Depreciation and (profit)/loss on disposal	-	-	-	-	-
Premises expenses	41,344	-	41,344	41,344	41,344
Marketing and promotion of engineering	1,049	-	1,049	1,538	1,538
Insurance	8,405	-	8,405	6,520	6,520
Computer running costs	61,750	-	61,750	53,874	53,874
Motor and travel expenses	60,517	-	60,517	63,173	63,173
Subscriptions and publications	1,114	-	1,114	2,255	2,255
Printing, postage, stationery and advertising	10,232	-	10,232	18,061	18,061
Irrecoverable VAT	39,697	-	39,697	51,824	51,824
Other costs	78,342	-	78,342	80,456	80,456
Audit and accountancy	-	20,264	20,264	-	22,807
Legal and professional fees	-	3,198	3,198	-	7,892
Consulting fees	-	24,061	24,061	-	26,538
	<u>1,289,059</u>	<u>47,523</u>	<u>1,336,582</u>	<u>1,168,121</u>	<u>1,225,358</u>
Analysed between					
Trading	1,247,689	37,963	1,285,652	1,138,416	1,186,353
Charitable activities	41,370	9,560	50,930	29,705	39,005
	<u>1,289,059</u>	<u>47,523</u>	<u>1,336,582</u>	<u>1,168,121</u>	<u>1,225,358</u>

Governance costs includes payments to the auditors of £17,860 (2024 - £15,000) for audit fees.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

12 Support costs – Trust

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Premises expenses	1,344	-	1,344	1,344	-	1,344
Marketing and promotion of engineering	1,049	-	1,049	1,538	-	1,538
Other costs	38,977	-	38,977	26,823	-	26,823
Audit and accountancy	-	9,560	9,560	-	9,300	9,300
	<u>41,370</u>	<u>9,560</u>	<u>50,930</u>	<u>29,705</u>	<u>9,300</u>	<u>39,005</u>
Charitable activities	<u>41,370</u>	<u>9,560</u>	<u>50,930</u>	<u>29,705</u>	<u>9,300</u>	<u>39,005</u>

Governance costs includes payments to the auditors of £9,560 (2024 - £8,500) for audit fees.

13 Trustee Directors

None of the trustee directors (or any persons connected with them) received any remuneration or benefits from the group during the year (2024: Nil).

14 Employees – Consolidated

The average monthly number of employees for the group during the year was:

2025	2024
Number	Number
<u>24</u>	<u>23</u>

The trust had no direct employees during the current and previous year.

Employment costs

	2025	2024
	£	£
Wages and salaries	836,348	716,685
Social security costs	80,580	68,531
Other pension costs	45,369	39,539
	<u>962,297</u>	<u>824,755</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

14 Employees – Consolidated and Trust

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 to £70,000	1	1

15 Pensions

The group makes payments to a defined contribution pension scheme for the benefit of its employees.

The pension cost for the year was £45,369 (2024: £39,539).

16 Tangible fixed assets – Consolidated

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2024	152,993	35,499	59,161	247,653
Additions	40,922	-	13,554	54,476
Disposals	-	-	-	-
Reclassification/transfer	-	-	-	-
At 31 August 2025	193,915	35,499	72,715	302,129
Depreciation and impairment				
At 1 September 2024	47,372	5,324	32,350	85,046
Depreciation charged in the year	36,314	5,327	10,098	51,739
Elimination on disposal	-	-	-	-
Reclassification/transfer	-	-	-	-
At 31 August 2025	83,686	10,651	42,448	136,785
Carrying amount				
At 31 August 2025	110,229	24,848	30,267	165,344
At 31 August 2024	105,621	30,175	26,811	162,607

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Tangible fixed assets – Trust

	Fixtures, fittings & equipment £
Cost	
At 1 September 2024	7,250
At 31 August 2025	7,250
Depreciation and impairment	
At 1 September 2024	6,870
Depreciation charged in the year	380
At 31 August 2025	7,250
Carrying amount	
At 31 August 2025	-
At 31 August 2024	380

18 Fixed asset investments – Trust

	Other investments
Cost or valuation	
At 1 September 2024 & 31 August 2025	160,000
Carrying amount	
At 31 August 2025	160,000
At 31 August 2024	160,000

Other investments comprise:	Notes	2025 £	2024 £
Investments in subsidiaries	19	160,000	160,000

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

19 Subsidiaries

Details of the group's subsidiaries at 31 August 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Engineering Trust Training Limited	11 Wedgwood Road, Bicester, Oxfordshire, OX26 7DY	Delivery apprenticeships and training	Ordinary	100.00	

20 Debtors – Consolidated

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	145,623	138,062
Other debtors	10,139	10,736
Prepayments and accrued income	66,414	82,351
Total debtors	222,176	231,149

21 Debtors – Trust

	2025 £	2024 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1,416	-
VAT	780	3,081
Prepayments and accrued income	831	1,932
	3,027	5,013

22 Creditors: amounts falling due within one year – Consolidated

	Notes	£	£
Obligations under finance leases	25	7,542	7,543
Other taxation and social security		23,326	19,508
Trade creditors		118,082	149,682
Other creditors		27,263	32,701
Corporation tax		-	317
Accruals and deferred income		52,559	48,647
		228,772	258,398

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

23 Creditors: amounts falling due within one year – Trust

	2025 £	2024 £
Trade creditors	197	2,196
Amounts owed to group undertakings	44,700	31,905
Accruals and deferred income	10,560	10,928
	<u>55,457</u>	<u>45,029</u>

24 Creditors: amounts falling due after more than one year - Consolidated

	Notes	2025 £	2024 £
Obligations under finance leases	25	<u>15,085</u>	<u>22,627</u>

25 Finance lease obligations

Future minimum lease payments due under finance leases:

	2025 £	2024 £
Within one year	7,542	7,543
Within two and five years	15,085	22,627
	<u>22,627</u>	<u>30,170</u>

26 Taxation

Deferred tax

The following are the major deferred tax liabilities and assets, recognised by the group and movements thereon:

Group	2025 £	2024 £
Accelerated capital allowances - Liability	(41,336)	(40,557)
Tax losses carried forward - Asset	6,434	29,037
	<u>(34,902)</u>	<u>(11,520)</u>

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

26 Taxation

(Continued)

Movements on deferred tax

	2025 £
Accelerated capital allowances	(41,336)
Tax losses carried forward	6,434
Liability at 31 August 2025	<u>(34,902)</u>

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2025 £	2024 £
Current tax	(317)	317
Deferred tax	<u>23,382</u>	<u>23,823</u>
Tax on profit	<u>23,065</u>	<u>24,140</u>

UK Corporation tax charge has been taxed at 19% (2024: 19%).

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	53,299	49,878
Between two and five years	156,538	169,714
In over five years	<u>72,964</u>	<u>104,823</u>
	<u>282,801</u>	<u>324,415</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

28 Related party transactions

During the year, the Engineering Trust Training Limited received income and/or incurred (expenditure) from/with the following companies in which some of the trustees have an interest: -

Navtech Radar Limited - Income £Nil (2024: £5,227)
 TEX Plastics – Income £127 (2024: £Nil)
 XDS Oxford – Income £14,878 (2024: £Nil)

Amounts due from/(to) Engineering Trust Training Limited with companies in which some of the trustees have an interest as at the year-end were as follows: -

Group Training and Development Limited – (£23,619) (2024: £(23,619))
 Group Training and Development Limited - £3,004 (2024: £Nil)

The group has taken advantage of the exemptions provided by FRS 102 Section 33, not to disclose transactions and outstanding balances with Engineering Trust Training Limited as it is wholly owned by The Engineering Trust.

29 Constitution

The Engineering Trust is a company limited by guarantee. In the event of liquidation, each member is liable to contribute a sum not exceeding £20 if there is a deficiency of assets.

30 Cash generated from operations – Consolidated

	2025	2024
	£	£
Surplus/(Deficit) for the year	1,334	30,259
Adjustments for:		
Taxation credited	23,065	24,140
Investment income recognised in statement of financial activities	(1,552)	(1,779)
(Gain)/loss on disposal of tangible fixed assets	-	(7,293)
Depreciation and impairment of tangible fixed assets	51,739	49,216
Movements in working capital:		
(Increase)/decrease in debtors	8,973	(52,346)
Increase/(decrease) in creditors	(29,309)	(25,906)
Cash absorbed by operations	54,250	16,291

31 Analysis of changes in net funds – Consolidated

	At 1 September 2024	Cashflows	New finance leases	At 31 August 2025
	£	£	£	£
Cash at bank and in hand	83,095	(6,216)	-	76,879
Obligations under finance leases	(30,170)	-	-	(30,170)
	<u>52,925</u>	<u>(6,216)</u>	<u>-</u>	<u>46,709</u>

THE ENGINEERING TRUST

England & Wales - Charity number 287075

Accounts

Charity Registration No. 287075

Company Registration No. 01706333 (England and Wales)

THE ENGINEERING TRUST
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE ENGINEERING TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee Directors	Ms S D Jaycock	
	Mr B S Knott	
	Mr N J B Locke	
	Mr R J Morris	
	Ms B A O'Farrell	(Appointed 26 February 2024)
	Ms C T Wilcox	(Appointed 15 September 2023)
Charity number	287075	
Company number	01706333	
Registered office	11 Wedgwood Road Bicester	
	Oxfordshire	
	OX26 4UL	
Auditor	Harendra Kishorial Shah (FCCA) (Senior Auditor)	
	For and behalf of Shah & Co (Accountants) Ltd	
	Chartered Accountants & Statutory Auditors	
	Cash's Business Centre	
	1st Floor	
	228 Widdrington Road	
	Coventry	
	West Midlands	
	CV1 4PB	

THE ENGINEERING TRUST

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THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The trustee directors present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with the group's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Group is made up of The Engineering Trust (The Trust) and its wholly owned subsidiary, Engineering Trust Training Limited (ETT).

The Trust is registered with the Charity Commission in England and Wales and is a company limited by guarantee registered at Companies House. The governing instrument of the company is the Memorandum and Articles of Association incorporated 14 March 1983 as amended January 2024.

Objectives and activities

The Group continues to be successful in the promotion of engineering, promotion of careers in the industry, delivery of apprenticeships and celebration of those working in the industry.

The main activities of the Group are delivered via ETT, involving the training of apprentices for the Engineering, Manufacturing and Maintenance sectors. Other initiatives are delivered under The Trust including work in schools, work to support events such as National Apprenticeship Week, Women in Engineering and Oxfordshire Apprenticeship Awards and celebration of those who work with and learn under ETT via The Engineering Trust Annual Awards.

Public benefit

The trustees have taken into account the Charity Commission guidance on public benefit and believe that the activities of the Trust are in line with guidance.

Achievements and performance

The Trust

The Trust's work within schools and colleges continued with face-to-face events and careers talks. Other Trust projects such as STEM Summer Courses opened for the third year and STEM Saturday Clubs were also piloted, increasing The Trust's work, and further meeting its charitable aims. The Trust continued to run its own Annual Awards, recognising excellence within the apprentices and employers that ETT work with. It also, for the third time, sponsored a category within the Oxfordshire Apprenticeship Awards and the North Devon Manufacturers Association Awards. The Trust worked to strengthen its Board by recruiting more Trustees, continuing the work to improve its oversight and governance.

ETT

ETT places future engineers into good quality apprenticeships, many of whom go on to further learning and obtain senior or management positions because of their apprenticeship. ETT offers apprenticeships at levels 2, 3 and 4, training more than 280 apprentices across the south of England, holding a Grade 2 'Good' OFSTED result across all four areas from its inspection in summer 2022. ETT continued to experience a good level of business with a steady flow of new apprentices and businesses choosing to use ETT as their training provider. ETT will post a profit and 2023/24, seeing the benefit of changes made to our operating model in previous years. More can be done to further improve the financial position with the continued reduction of sub-contracting and the increase in use of The Engineering Skills Academy, its training venue in Bicester Oxfordshire, and the surrounding counties continue to see a strong engineering sector with growth in companies based in the region.

There remains a lack of trained staff, leading to businesses protecting their future by training apprentices and the Government's continued push to promote apprenticeships. The outlook in Devon, where ETT has a small cohort of apprentices and two full time staff members, continues to have a different outlook, with business being good but slower than Oxfordshire. ETT has a reliance on subcontracted provision for the day release element of the apprenticeship to a local college which will remain in the long term. The aim is for this subcontractor to be one of the very few still required for ETT delivery, if not the only subcontracted provision in the future.

ETT had a negative year in terms of 'leaver' numbers, meaning those apprentices who exit their program before completion and struggled to complete learners on time. Both factors had an effect financially and in terms of our Qualification Success Rates (QAR) measured by the ESFA. Action has been taken to address both issues and those changes aim to bring ETT back into acceptable numbers in both areas.

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

2023/24 saw the benefit of changes to the ETT business model, significantly reducing subcontracting and increasing the numbers of apprentices in training at The Engineering Skills Academy, leading it to a surplus position at the end of the year. The surplus has, for the first time in many years, covered the spend within The Trust. To add to this, the organisation as a whole, is in surplus.

Cashflow within ETT is the biggest challenge, however constant management has meant that the organisation has been operated within its means. The Trust will get income from the ETT surplus made in 2023/24 which will be used to pay for the work the Trust did in 2023/24, which ETT funded due to low cash in The Trust. The aim is to leave an amount in The Trust to begin to build its liquidity again, however this is a long-term process and will take several years. STEM Summer Courses & Saturday STEM Clubs continued to not make a surplus and therefore did not contribute to The Trust's financial position. The Trust continues to have little operating capital to take into 2024/25 however, the current model of ETT funding The Trust's work and subsequently recouping the amount from the surplus gift aided to The Trust, will continue.

Plans for future periods

The Trust

The Trust will continue its work over the next 12 months, supporting schools and colleges with careers advice and guidance. It will hold its Annual Apprentice Awards in Oxfordshire and replicate the event in Devon too. STEM Summer Courses and Saturday STEM Clubs will take a pause in 24/25 whilst we re-evaluate the way it is operated. Continuing to increase The Trust's direct income remains a key objective with the intention of diversifying, so not being solely reliant on income from ETT making a surplus. Income from ETT surplus remains an important source and will be more reliable in the coming years.

ETT

2024/25 will see ETT again strengthen its position within the apprenticeship market, working with more employers and maximizing new starts, apprentice retention and completions. Continuing to develop The Engineering Skills Academy remains key to moving the business forward, both in terms of apprenticeship delivery and other forms of training. Finding and retaining good staff is a key focus as is structuring the business to ensure we can grow sustainably. Maintaining a surplus overall between both elements is key and ETT remains to be the main contributor to this and the intention, in the years to come, is to improve the surplus and contribute more.

Structure, governance and management

Trustees are drawn predominantly from companies we deliver apprenticeship and hold a broad range of skills and capabilities that allows for them to provide effective governance for both The Trust and ETT. During the year, the Directors (Trustees) have reviewed the risks, which may affect the charity and have acted accordingly where necessary.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Statement of trustee directors' responsibilities

The trustee directors, who are also the directors of The Engineering Trust for the purpose of company law, are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Statement of trustee directors' responsibilities - continued

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustee directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Shah & Co (Accountants) Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustee directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustee directors' report was approved by the Board of Trustee Directors.



Mr R Morris
Trustee director

23 May 2025

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Opinion

We have audited the financial statements of The Engineering Trust (the 'trust') and its subsidiary (the 'group') for the year ended 31 August 2024 which comprise the group statement of financial activities, the charity statement of financial activities, the group balance sheet, the charity balance sheet, the group statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and Charities SORP.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent trust's affairs as at 31 August 2024 and of its incoming resources and application of resources, 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 group 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 trustee directors' 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee directors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Responsibilities of trustee directors

As explained more fully in the statement of trustee directors' responsibilities, the trustee directors, who are also the directors of the group for the purpose 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 trustee directors 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 trustee directors are responsible for assessing the group'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 trustee directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws and regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertook procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates;
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature; and
 - e. Reviewing certificates of conformity necessary in order for the company to continue to trade.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Harendra Kishorlal Shah (FCCA) (Senior Auditor)

For and behalf of Shah & Co (Accountants) Ltd

Chartered Accountants & Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Cash's Business Centre

1st Floor

228 Widdrington Road

Coventry

West Midlands

CV1 4PB

Date: 23 May 2025

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

		Unrestricted funds 2024	Unrestricted funds 2023
	Notes	£	£
<u>Income and endowments from:</u>			
Charitable activities	3	42,931	26,921
Other trading activities	4	1,437,237	1,100,838
Investments	5	1,779	1,540
Other income	7	39,646	57,561
Total income		1,521,593	1,186,860
<u>Expenditure on:</u>			
Raising funds	8	1,383,158	1,141,910
Charitable activities	9	84,036	61,452
Total expenditure		1,467,194	1,203,362
Net expenditure for the year/ Net outgoing resources		54,399	(16,502)
Taxation	26	(24,140)	12,303
Net movement in funds		30,259	(4,199)
Fund balances at 1 September 2023		154,047	158,246
Fund balances at 31 August 2024		184,306	154,047

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Income and endowments from:</u>			
Charitable activities	3	42,931	26,921
Investments	6	110	196
Total income		43,041	27,117
<u>Expenditure on:</u>			
Charitable activities	10	84,035	61,452
Total expenditure		84,035	61,452
Net expenditure for the year/ Net outgoing resources		(40,994)	(34,335)
Net movement in funds		(40,994)	(34,335)
Fund balances at 1 September 2023		169,569	203,904
Fund balances at 31 August 2024		128,575	169,569

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

		Group 2024	2023	Trust 2024	2023
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16 & 17	162,607	191,493	380	760
Investments	18	-	-	160,000	160,000
		<u>162,607</u>	<u>191,493</u>	<u>160,380</u>	<u>160,760</u>
Current assets					
Debtors	20 & 21	231,149	191,106	5,013	1,434
Cash at bank and in hand		83,095	132,224	8,211	32,441
		<u>314,244</u>	<u>323,330</u>	<u>13,224</u>	<u>33,875</u>
Creditors: amounts falling due within one year	22 & 23	(258,398)	(293,310)	(45,029)	(25,066)
Net current assets		<u>55,846</u>	<u>30,020</u>	<u>(31,805)</u>	<u>8,809</u>
Total assets less current liabilities		<u>218,453</u>	<u>221,513</u>	<u>128,575</u>	<u>169,569</u>
Creditors: amounts falling due after more than one year	24	(22,627)	(67,466)	-	-
Provision for liabilities	26	(11,520)	-	-	-
Net assets		<u>184,306</u>	<u>154,047</u>	<u>128,575</u>	<u>169,569</u>
Income funds					
General unrestricted funds		<u>184,306</u>	<u>154,047</u>	<u>128,575</u>	<u>169,569</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustee Directors on 23 May 2025



Mr R Morris
Trustee

Company Registration No. 01706333

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	30		16,291		(22,500)
Investing activities					
Purchase of tangible fixed assets		(61,657)		(98,026)	
Sale of tangible fixed assets		48,620			
Investment income received		1,779		1,540	
Net cash used in investing activities			(11,258)		(96,486)
Financing activities					
Payment of finance lease obligations		(54,162)			
Net cash used in financing activities			(54,162)		
Net decrease in cash and cash equivalents			(49,129)		(118,986)
Cash and cash equivalents at beginning of year			132,224		251,210
Cash and cash equivalents at end of year			<u>83,095</u>		<u>132,224</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

The Engineering Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 11 Wedgwood Road, Bicester, Oxfordshire, OX26 4UL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the group's Memorandum and Articles of Association incorporated 14 March 1983 as amended January 2024, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The trust is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including the trust, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The trust has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustee directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee directors in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

The group's income is largely from the activities of Engineering Trust Training Limited. A significant proportion of this relates to contracts with the Education and Skills Funding Agency for monitoring and assessment of apprenticeships in engineering. Training revenue is recognised in the period the service is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Income from unlisted investments is recognised on a receivable basis.

Other income is made up of sponsorships, grants and a license fee for the use of the group's training facilities.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over the life of the lease
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15-25% Straight line
Office & equipment	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are held at cost.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The tax credit represents deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of financial activities because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of financial activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the statement of financial activities.

1.16 Government grants

Grants are accounted for on a received basis. Grants for capital items are credited to the cost of the fixed asset.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustee directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

-ETT Turnover

Turnover is recognized when the training service is delivered to students, not when payment is received.

- Tangible fixed assets

Depreciation is provided in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. The actual lives of these assets are reviewed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessment considers issues such as the remaining life of the assets and projected disposal values.

- Finance lease or operating lease

In determining whether leases entered into by the company, either as a lessor or lessee, are operating or finance leases, the directors have assessed whether the risks and rewards of ownership have been transferred from the lessor to the lessee on an individual lease by lease basis.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and judgements

(Continued)

The following are key sources of estimation uncertainty:

- Impairment of tangible fixed assets

In determining whether there are indicators of impairment of the company's tangible fixed assets, factors taken into consideration by the directors include the economic value in use and whether there are any expected future cash flows to be generated from such assets.

3 Charitable activities – Consolidated and Trust

	Summer Camp Income	Summer Camp Income
	2024	2023
	£	£
Sales within charitable activities	42,931	26,921

4 Other trading activities – Consolidated

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Engineering apprenticeships and other work-based training	1,437,237	1,100,838

5 Investments – Consolidated

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Interest receivable	1,779	1,540

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Investments – Trust

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Interest receivable	110	196
	<u>110</u>	<u>196</u>

7 Other income – Consolidated

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Sponsorship and grant revenue	17,755	35,000
License to occupy income	<u>21,891</u>	<u>22,561</u>
	<u>39,646</u>	<u>57,561</u>

8 Raising funds – Consolidated

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
<u>Trading costs</u>		
Direct costs	167,024	296,641
Support costs	<u>1,216,134</u>	<u>845,269</u>
	<u>1,383,158</u>	<u>1,141,910</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Charitable activities – Consolidated

	2024 £	2023 £
Depreciation	380	380
Direct costs	44,651	13,647
	<u>45,031</u>	<u>14,027</u>
Share of support costs (see note 11)	29,705	37,125
Share of governance costs (see note 11)	9,300	10,300
	<u>84,036</u>	<u>61,452</u>

10 Charitable activities – Trust

	2024 £	2023 £
Depreciation	380	380
Direct costs	44,651	13,647
	<u>45,031</u>	<u>14,027</u>
Share of support costs (see note 12)	29,705	37,125
Share of governance costs (see note 12)	9,300	10,300
	<u>39,005</u>	<u>61,452</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

11 Support costs – Consolidated

	Support costs	Governance costs	2024 Support costs	Governance costs	2023
	£	£	£	£	£
Staff costs	849,076	-	849,076	584,782	584,782
Depreciation and (profit)/loss on disposal	-	-	-	20,337	20,337
Premises expenses	41,344	-	41,344	72,097	72,097
Marketing and promotion of engineering	1,538	-	1,538	5,291	5,291
Insurance	6,520	-	6,520	5,015	5,015
Computer running costs	53,874	-	53,874	24,878	24,878
Motor and travel expenses	63,173	-	63,173	51,070	51,070
Subscriptions and publications	2,255	-	2,255	4,954	4,954
Printing, postage, stationery and advertising	18,061	-	18,061	14,212	14,212
Irrecoverable VAT	51,824	-	51,824	45,886	45,886
Other costs	80,456	-	80,456	15,460	15,460
Audit and accountancy	-	22,807	22,807	-	21,574
Legal and professional fees	-	7,892	7,892	-	4,029
Consulting fees	-	26,538	26,538	-	23,109
	<u>1,168,121</u>	<u>57,237</u>	<u>1,225,358</u>	<u>843,982</u>	<u>892,694</u>
Analysed between					
Trading	1,138,416	47,937	1,186,353	806,857	845,269
Charitable activities	29,705	9,300	39,005	37,125	47,425
	<u>1,168,121</u>	<u>57,237</u>	<u>1,225,358</u>	<u>843,982</u>	<u>892,694</u>

Governance costs includes payments to the auditors of £15,000 (2023 - £9,500) for audit fees.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

12 Support costs – Trust

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Premises expenses	1,344	-	1,344	1,901	-	1,901
Marketing and promotion of engineering	1,538	-	1,538	35,190	-	35,190
Other costs	26,823	-	26,823	34	-	34
Audit and accountancy		9,300	9,300		10,300	10,300
	<u>29,705</u>	<u>9,300</u>	<u>39,005</u>	<u>37,125</u>	<u>10,300</u>	<u>47,425</u>
Charitable activities	<u>29,705</u>	<u>9,300</u>	<u>39,005</u>	<u>37,125</u>	<u>10,300</u>	<u>47,425</u>

Governance costs includes payments to the auditors of £8,500 (2023 - £5,500) for audit fees.

13 Trustee Directors

None of the trustee directors (or any persons connected with them) received any remuneration or benefits from the group during the year (2023: Nil).

14 Employees – Consolidated

The average monthly number of employees for the group during the year was:

2024	2023
Number	Number
<u>23</u>	<u>14</u>

The trust had no employees during the current and previous year.

Employment costs	2024	2023
	£	£
Wages and salaries	716,685	476,493
Social security costs	68,531	45,454
Other pension costs	39,539	26,750
	<u>824,755</u>	<u>548,697</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Employees – Consolidated and Trust

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 to £70,000	1	1

15 Pensions

The group makes payments to a defined contribution pension scheme for the benefit of its employees.

The pension cost for the year was £39,539 (2023: 26,750).

16 Tangible fixed assets – Consolidated

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2023	109,424	104,849	20,343	234,616
Additions	43,569	11,561	6,527	61,657
Disposals	-	(48,620)	-	(48,620)
Reclassification/transfer	-	(32,291)	32,291	-
At 31 August 2024	152,993	35,499	59,161	247,653
Depreciation and impairment				
At 1 September 2023	18,273	14,515	10,335	43,123
Depreciation charged in the year	29,099	17,326	2,791	49,216
Elimination on disposal	-	(7,293)	-	(7,293)
Reclassification/transfer	-	(19,224)	19,224	-
At 31 August 2024	47,372	5,324	32,350	85,046
Carrying amount				
At 31 August 2024	105,621	30,175	26,811	162,607
At 31 August 2023	91,151	90,334	10,008	191,493

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Tangible fixed assets – Trust

	Fixtures, fittings & equipment £
Cost	
At 1 September 2023	7,250
At 31 August 2024	7,250
Depreciation and impairment	
At 1 September 2023	6,490
Depreciation charged in the year	380
At 31 August 2024	6,870
Carrying amount	
At 31 August 2024	380
At 31 August 2023	760

18 Fixed asset investments – Trust

	Other investments
Cost or valuation	
At 1 September 2023 & 31 August 2024	160,000
Carrying amount	
At 31 August 2024	160,000
At 31 August 2023	160,000

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	19	160,000	160,000

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Subsidiaries

Details of the group's subsidiaries at 31 August 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Engineering Trust Training Limited	11 Wedgwood Road, Bicester, Oxfordshire, OX26 7DY	Delivery apprenticeships and training	Ordinary	100.00	

20 Debtors – Consolidated

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	138,062	103,950
Other debtors	10,736	10,787
Prepayments and accrued income	82,351	64,066
	<u>231,149</u>	<u>178,803</u>
Amounts falling due after more than one year:		
	£	£
Deferred tax asset (note 26)	-	12,303
	<u>-</u>	<u>12,303</u>
Total debtors	<u>231,149</u>	<u>191,106</u>

21 Debtors – Trust

	2024	2023
	£	£
Amounts falling due within one year:		
VAT	3,081	-
Prepayments and accrued income	<u>1,932</u>	<u>1,434</u>
	<u>5,031</u>	<u>1,434</u>

22 Creditors: amounts falling due within one year – Consolidated

	Notes	£	£
Obligations under finance leases	25	7,543	16,866
Other taxation and social security		19,508	27,726
Trade creditors		149,682	148,001
Other creditors		32,701	19,026
Corporation tax		317	-
Accruals and deferred income		48,647	81,691
		<u>258,398</u>	<u>293,310</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

23 Creditors: amounts falling due within one year – Trust

	2024	2023
	£	£
Other taxation and social security	-	5,598
Trade creditors	2,196	6,793
Amounts owed to subsidiary undertakings	31,905	4,175
Accruals and deferred income	10,928	8,500
	<u>45,029</u>	<u>25,066</u>

24 Creditors: amounts falling due after more than one year - Consolidated

	Notes	2024	2023
		£	£
Obligations under finance leases	25	<u>22,627</u>	<u>67,466</u>

25 Finance lease obligations

Future minimum lease payments due under finance leases:

	2024	2023
	£	£
Within one year	7,543	16,866
Within two and five years	22,627	67,466
	<u>30,170</u>	<u>84,332</u>

26 Taxation

Deferred tax

The following are the major deferred tax liabilities and assets, recognised by the group and movements thereon:

Group	2024	2023
	£	£
Accelerated capital allowances - Liability	(40,557)	(47,683)
Tax losses carried forward - Asset	29,037	59,986
	<u>(11,520)</u>	<u>12,303</u>

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

(Continued)

26 Taxation

Movements on deferred tax

	2024 £
Accelerated capital allowances	(40,557)
Tax losses carried forward	29,037
Liability at 31 August 2024	<u>(11,520)</u>

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2024 £	2023 £
Current tax	317	-
Deferred tax	23,823	(12,303)
Tax on profit	<u>24,140</u>	<u>(12,303)</u>

UK Corporation tax charge has been taxed at 19%.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	49,878	54,189
Between two and five years	169,714	140,894
In over five years	104,823	-
	<u>324,415</u>	<u>195,083</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

28 Related party transactions

During the year the trust received charitable income from the following companies in which some of the trustees have an interest: -

Navtech Radar Limited - £Nil (2023: £1,016)
High Spec Composites Ltd - £35 (2023: £254)

During the year Engineering Trust Training Limited received income and/or incurred (expenditure) from/with the following companies in which some of the trustees have an interest: -

Navtech Radar Limited - Income £5,227 (2023: £5,470)
Group Training and Development Limited - Income £Nil (2023: £48,055); Expenditure £(Nil) (2023: £(80,313)).

Amounts due from/(to) the above companies as at the year-end were as follows: -

Navtech Radar Limited - £Nil (2023: £2,700)
Group Training and Development Limited - £23,619 (2023: £(23,619))

The group has taken advantage of the exemptions provided by FRS 102 Section 33, not to disclose transactions and outstanding balances with Engineering Trust Training Limited as it is wholly owned by The Engineering Trust.

29 Constitution

The Engineering Trust is a company limited by guarantee. In the event of liquidation, each member is liable to contribute a sum not exceeding £20 if there is a deficiency of assets.

30 Cash generated from operations – Consolidated

	2024	2023
	£	£
Surplus/(Deficit) for the year	30,259	(4,199)
Adjustments for:		
Taxation credited	(24,140)	(12,303)
Investment income recognised in statement of financial activities	(1,779)	(1,540)
(Gain)/loss on disposal of tangible fixed assets	(7,293)	-
Depreciation and impairment of tangible fixed assets	49,216	20,717
Movements in working capital:		
(Increase)/decrease in debtors	(52,346)	(36,688)
Increase/(decrease) in creditors	(25,906)	11,513
Cash absorbed by operations	16,291	(22,500)

31 Analysis of changes in net funds – Consolidated

	At 1 September 2023 £	Cashflows £	New finance leases £	At 31 August 2024 £
Cash at bank and in hand	132,224	(49,129)	-	83,095
Obligations under finance leases	(84,332)	-	54,162	(30,170)
	<u>47,892</u>	<u>(49,129)</u>	<u>54,162</u>	<u>52,925</u>

THE ENGINEERING TRUST

England & Wales - Charity number 287075

Accounts

Charity Registration No. 287075

Company Registration No. 01706333 (England and Wales)

THE ENGINEERING TRUST
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE ENGINEERING TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee Directors	Ms S Jaycock	
	Mr R Morris	
	Mr N Locke	(Appointed 22 March 2023)
	Ms C Wilcox	(Appointed 15 September 2023)
	Ms B O'Farrell	(Appointed 26 February 2024)
	Mr B Knott	(Appointed 25 July 2023)
Charity number	287075	
Company number	01706333	
Registered office	11 Wedgwood Road Bicester Oxfordshire OX26 4UL	
Auditor	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford OX2 7DY	
Bankers	National Westminster Bank Plc 43 Cornmarket Street Oxford Oxfordshire OX1 3HA	

THE ENGINEERING TRUST

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Statement of financial activities	8
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THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The trustee directors present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with the group's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Group is made up of The Engineering Trust (The Trust) and its wholly owned subsidiary, Engineering Trust Training Limited (ETT).

The Trust is registered with the Charity Commission in England and Wales and is a company limited by guarantee registered at Companies House. The governing instrument of the company is the Memorandum and Articles of Association incorporated 14 March 1983 as amended January 2024.

Objectives and activities

The Group continues to be successfully in the promotion of engineering, promotion of careers in the industry, delivery of apprenticeships and celebration of those working in the industry.

The main activities of the Group are delivered via ETT, involving the training of apprentices for the Engineering, Manufacturing and Maintenance sectors. Other initiatives have been introduced into The Group to further improve its impact and reach its objectives, such as STEM Summer Courses for children aged 8 to 13 years.

Public benefit

The trustees have taken into account the Charity Commission guidance on public benefit and believe that the activities of the Trust are in line with guidance.

Achievements and performance

The Trust

The Trust's work within schools and colleges continued with face-to-face events and careers talks. Other Trust projects such as STEM Summer Courses opened for the second year, increasing The Trust's work, and further meeting its charitable aims. The Trust continued to run its own Awards, recognising excellence within the apprentices and employers that ETT work with. It also, for the second time, sponsored a category within the Oxfordshire Apprenticeship Awards and for the first time a category in the Cherwell Business Awards. The Trust worked to strengthen its Board by recruiting more Trustees, continuing the work to improve its oversight and governance. It also adopted new Articles of Association which better reflect the way The Trust is now operated and formed.

ETT

ETT places future engineers into good quality apprenticeships, many of whom go on to further learning and obtain senior or management positions because of their apprenticeship. ETT offers apprenticeships at levels 2, 3 and 4, training more than 280 apprentices across the south of England, holding a Grade 2 'Good' OFSTED result across all four areas from its inspection in summer 2022. Changes have been made to our operations which has moved us back to profit and 2022/23 saw a good amount of growth in terms of new apprenticeship opportunities and good growth in terms of people looking to do an apprenticeship. This trend is fuelled by a lack of trained staff in our sector leading to businesses protecting their future by training apprentices and the Government's continued push to promote apprenticeships. ETT delivered its first year at The Engineering Skills Academy (TESA), its training venue in Bicester. Direct delivery of this training has reduced the need for ETT to sub-contract to third party colleges, allowing us to control delivery better and retain more of the funding. Developing TESA has been a significant investment in time and funds allowing ETT to further develop this element of the business and to explore other sources of income. GTD, an organisation who ETT subcontracted learners to in Devon, was moved under direct delivery which eventually will be financial positive for ETT.

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

2022/23 saw a change to the ETT business model, reducing subcontracting and increasing the numbers of apprentices in training with the organisation, leading it to a surplus position at the end of the year. The Group however has again made a loss, as predicted it would in the previous years Directors' Annual Report, however this is significantly less than the prior year and has set the group up to breakeven or be in profit for 2023/24. The Trust did not get any income from ETT in 22/23 and the STEM Summer Courses programme was also still too immature to produce a surplus to contribute to The Trust's financial position. As such, The Trust has little operating capital to take into the 23/24 and will have to manage their position carefully. As STEM Summer Courses and Saturday STEM Clubs mature they will contribute and the target for 2023/24 is for these to be a financially positive element to The Group.

Engineering Trust Training, although being in a surplus will not gift aid any funds to The Trust for this financial year due to having an insolvent balance sheet.

Plans for future periods

The Trust

The Trust will continue its work over the next 12 months, supporting schools and colleges with careers advice and guidance. It will hold its Annual Apprentice Awards, run the third season of its STEM Summer Courses and open its new Saturday STEM Clubs. Continuing to increase The Trust's direct income remains a key objective with the intention of diversifying, so not being solely reliant on income from ETT making a surplus. Income from ETT surplus remains an important source however it has been less reliable recently, meaning the need for The Trust to find other ways to bring funds in directly is more important than ever.

ETT

2023/24 will see ETT strengthen its position within the apprenticeship market, working hard to work with more employers and maximise new starts, apprentice retention and completions. Continuing to develop TESA remains key to moving the business forward, and work to use more of the building will begin in the second half of the year. Commercial courses will also play a role in using the facility more and the appointment of additional staff to accelerate this will happen in the latter part of the year. Achieving a surplus and contributing so the group is either at breakeven or in profit is a financial target, and the intention in the years to come is to improve the surplus to contribute more.

Structure, governance and management

Trustees are drawn predominantly from companies we deliver apprenticeship within and those people make up the members.

During the year, the Directors (Trustees) have reviewed the risks, which may affect the charity and have amended their risk assessment where necessary.

The trustee directors, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms S Jaycock

Mr R J Green

(Resigned 25 November 2022)

Mr R Morris

Mr N Locke

(Appointed 22 March 2023)

Ms C Wilcox

(Appointed 15 September 2023)

Ms B O'Farrell

(Appointed 26 February 2024)

Mr B Knott

(Appointed 25 July 2023)

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Statement of trustee directors' responsibilities

The trustee directors, who are also the directors of The Engineering Trust for the purpose of company law, are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustee directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Shaw Gibbs (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustee directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustee directors' report was approved by the Board of Trustee Directors.

.....
Mr R Morris
Trustee director

Date:

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Opinion

We have audited the financial statements of The Engineering Trust (the 'trust') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the group statement of financial activities, the charity statement of financial activities, the group balance sheet, the charity balance sheet, the group statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and Charities SORP.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, 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 group 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 trustee directors' 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee directors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Responsibilities of trustee directors

As explained more fully in the statement of trustee directors' responsibilities, the trustee directors, who are also the directors of the group for the purpose 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 trustee directors 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 trustee directors are responsible for assessing the group'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 trustee directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws and regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertook procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates;
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature; and
 - e. Reviewing certificates of conformity necessary in order for the company to continue to trade.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Daniels (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited

.....

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
OX2 7DY

Shaw Gibbs (Audit) Limited is eligible for appointment as auditor of the group by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 as restated £
	Notes		
<u>Income and endowments from:</u>			
Charitable activities	3	26,921	25,859
Other trading activities	4	1,100,838	785,933
Investments	5	1,540	138
Other income	7	57,561	11,500
Total income		1,186,860	823,430
<u>Expenditure on:</u>			
Raising funds	8	1,141,910	946,273
Charitable activities	9	61,452	78,209
Total expenditure		1,203,362	1,024,482
Net expenditure for the year/ Net outgoing resources		(16,502)	(201,052)
Taxation	26	12,303	-
Net movement in funds		(4,199)	(201,052)
Fund balances at 1 September 2022		158,246	359,298
Fund balances at 31 August 2023		154,047	158,246

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<u>Income and endowments from:</u>			
Charitable activities	3	26,921	25,859
Investments	6	196	30,296
Total income		<u>27,117</u>	<u>56,155</u>
<u>Expenditure on:</u>			
Charitable activities	10	61,452	110,010
Total expenditure		<u>61,452</u>	<u>110,010</u>
Net expenditure for the year/ Net outgoing resources		<u>(34,335)</u>	<u>(53,855)</u>
Net movement in funds		<u>(34,335)</u>	<u>(53,855)</u>
Fund balances at 1 September 2022		<u>203,904</u>	<u>257,759</u>
Fund balances at 31 August 2023		<u><u>169,569</u></u>	<u><u>203,904</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	Group 2023 £	2022 as restated £	Trust 2023 £	2022 £
Fixed assets					
Tangible assets	16 & 17	191,493	29,852	760	1,140
Investments	18	-	-	160,000	160,000
		<u>191,493</u>	<u>29,852</u>	<u>160,760</u>	<u>161,140</u>
Current assets					
Debtors	20 & 21	191,106	142,115	1,434	-
Cash at bank and in hand		132,224	251,210	32,441	86,153
		<u>323,330</u>	<u>393,325</u>	<u>33,875</u>	<u>86,153</u>
Creditors: amounts falling due within one year	22 & 23	(293,310)	(264,931)	(25,066)	(43,389)
Net current assets		<u>30,020</u>	<u>128,394</u>	<u>8,809</u>	<u>42,764</u>
Total assets less current liabilities		<u>221,513</u>	<u>158,246</u>	<u>169,569</u>	<u>203,904</u>
Creditors: amounts falling due after more than one year	24	(67,466)	-	-	-
Net assets		<u>154,047</u>	<u>158,246</u>	<u>169,569</u>	<u>203,904</u>
Income funds					
General unrestricted funds		<u>154,047</u>	<u>158,246</u>	<u>169,569</u>	<u>203,904</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustee Directors on

.....
Mr R Morris
Trustee

Company Registration No. 01706333

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	30		(22,500)		(58,915)
Investing activities					
Purchase of tangible fixed assets		(98,026)		(25,054)	
Investment income received		1,540		138	
Net cash used in investing activities			(96,486)		(24,916)
Net decrease in cash and cash equivalents			(118,986)		(83,831)
Cash and cash equivalents at beginning of year			251,210		335,041
Cash and cash equivalents at end of year			132,224		251,210

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

The Engineering Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 11 Wedgwood Road, Bicester, Oxfordshire, OX26 4UL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the group's Memorandum and Articles of Association incorporated 14 March 1983 as amended January 2024, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The trust is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including the trust, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The trust has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period error

Following a review of the balances in the prior year, it was noted that a holiday pay accrual should have been accounted for in the 2022 financial statements. A prior year adjustment has therefore been made to account for this and details of this are shown in note 32.

1.3 Going concern

At the time of approving the financial statements, the trustee directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee directors in furtherance of their charitable objectives.

1.5 Income

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

The group's income is largely from the activities of Engineering Trust Training Limited. A significant proportion of this relates to contracts with the Education and Skills Funding Agency for monitoring and assessment of apprenticeships in engineering. Training revenue is recognised in the period the service is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Income from unlisted investments is recognised on a receivable basis.

Other income is made up of sponsorships, grants and a license fee for the use of the group's training facilities.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over the life of the lease
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	15-33% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are held at cost.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.12 Taxation

The tax credit represents deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of financial activities because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of financial activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the statement of financial activities.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.17 Government grants

Grants are accounted for on a received basis. Grants for capital items are credited to the cost of the fixed asset.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustee directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities – Consolidated and Trust

	Summer Camp Income 2023 £	Summer Camp Income 2022 £
Sales within charitable activities	26,921	25,859

4 Other trading activities – Consolidated

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Engineering apprenticeships and other work-based training	1,100,838	785,933

5 Investments – Consolidated

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,540	138

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

6 Investments – Trust

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	-	13,200
Income from unlisted investments	-	17,086
Interest receivable	196	10
	<u>196</u>	<u>30,296</u>

7 Other income – Consolidated

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Sponsorship and grant revenue	35,000	10,000
Licence to occupy income	22,561	-
Government grants	-	1,500
	<u>57,561</u>	<u>11,500</u>

8 Raising funds – Consolidated

	Unrestricted funds	Unrestricted funds
	2023	2022 as restated
	£	£
<u>Trading costs</u>		
Direct costs	296,641	287,689
Support costs	845,269	658,584
	<u>1,141,910</u>	<u>946,273</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities – Consolidated

	Training 2023 £	Training 2022 £
Depreciation	380	380
Direct costs	13,647	48,569
	<u>14,027</u>	<u>48,949</u>
Share of support costs (see note 11)	37,125	23,033
Share of governance costs (see note 11)	10,300	6,227
	<u>61,452</u>	<u>78,209</u>

10 Charitable activities – Trust

	Training 2023 £	Training 2022 £
Depreciation	380	380
Direct costs	13,647	77,720
	<u>14,027</u>	<u>78,100</u>
Share of support costs (see note 12)	37,125	23,033
Share of governance costs (see note 12)	10,300	8,877
	<u>61,452</u>	<u>110,010</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Support costs – Consolidated

	Support costs	Governance costs	2023	Support costs as restated	Governance costs	2022 as restated
	£	£	£	£	£	£
Staff costs	584,782	-	584,782	478,277	-	478,277
Depreciation and (profit)/ loss on disposal	20,337	-	20,337	3,443	-	3,443
Premises expenses	72,097	-	72,097	24,047	-	24,047
Marketing and promotion of engineering	5,291	-	5,291	-	-	-
Insurance	5,015	-	5,015	6,715	-	6,715
Computer running costs	24,878	-	24,878	35,686	-	35,686
Motor and travel expenses	51,070	-	51,070	41,136	-	41,136
Subscriptions and publications	4,954	-	4,954	1,772	-	1,772
Printing, postage, stationery and advertising	14,212	-	14,212	9,290	-	9,290
Irrecoverable VAT	45,886	-	45,886	25,599	-	25,599
Other costs	15,460	-	15,460	12,593	-	12,593
Audit and accountancy	-	21,574	21,574	-	12,412	12,412
Legal and professional fees	-	4,029	4,029	-	11,314	11,314
Consulting fees	-	23,109	23,109	-	25,560	25,560
	<u>843,982</u>	<u>48,712</u>	<u>892,694</u>	<u>638,558</u>	<u>49,286</u>	<u>687,844</u>
Analysed between						
Trading	806,857	38,412	845,269	615,525	43,059	658,584
Charitable activities	37,125	10,300	47,425	23,033	6,227	29,260
	<u>843,982</u>	<u>48,712</u>	<u>892,694</u>	<u>638,558</u>	<u>49,286</u>	<u>687,844</u>

Governance costs includes payments to the auditors of £9,500 (2022 - £5,300) for audit fees.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

12 Support costs – Trust

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Premises expenses	1,901	-	1,901	15,729	-	15,729
Marketing and promotion of engineering	35,190	-	35,190	6,932	2,650	9,582
Other costs	34	-	34	372	-	372
Audit and accountancy	-	10,300	10,300	-	6,227	6,227
	<u>37,125</u>	<u>10,300</u>	<u>47,425</u>	<u>23,033</u>	<u>8,877</u>	<u>31,910</u>
Charitable activities	<u>37,125</u>	<u>10,300</u>	<u>47,425</u>	<u>23,033</u>	<u>8,877</u>	<u>31,910</u>

Governance costs includes payments to the auditors of £5,500 (2022 - £3,000) for audit fees.

13 Trustee Directors

None of the trustee directors (or any persons connected with them) received any remuneration or benefits from the group during the year (2022: Nil).

14 Employees – Consolidated and Trust

The average monthly number of employees for the group during the year was:

2023 Number	2022 Number
14	12

The trust had no employees during the current and previous year.

Employment costs

	2023 £	2022 as restated £
Wages and salaries	476,493	391,992
Social security costs	45,454	34,472
Other pension costs	26,750	18,534
	<u>548,697</u>	<u>444,998</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Employees – Consolidated and Trust

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 to £70,000	1	-

15 Pensions

The group makes payments to a defined contribution pension scheme for the benefit of its employees.

The pension cost for the year was £26,750 (2022: 18,534).

16 Tangible fixed assets – Consolidated

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2022	22,165	17,601	12,492	52,258
Additions	87,259	87,248	7,851	182,358
At 31 August 2023	109,424	104,849	20,343	234,616
Depreciation and impairment				
At 1 September 2022	1,205	11,818	9,383	22,406
Depreciation charged in the year	17,068	2,697	952	20,717
At 31 August 2023	18,273	14,515	10,335	43,123
Carrying amount				
At 31 August 2023	91,151	90,334	10,008	191,493
At 31 August 2022	20,960	5,783	3,109	29,852

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Tangible fixed assets – Trust

	Fixtures, fittings & equipment £
Cost	
At 1 September 2022	7,250
At 31 August 2023	7,250
Depreciation and impairment	
At 1 September 2022	6,110
Depreciation charged in the year	380
At 31 August 2023	6,490
Carrying amount	
At 31 August 2023	760
At 31 August 2022	1,140

18 Fixed asset investments – Trust

	Other investments
Cost or valuation	
At 1 September 2022 & 31 August 2023	160,000
Carrying amount	
At 31 August 2023	160,000
At 31 August 2022	160,000

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	19	160,000	160,000

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Subsidiaries

Details of the group's subsidiaries at 31 August 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Engineering Trust Training Limited	11 Wedgwood Road, Bicester, Oxfordshire, OX26 7DY	Delivery apprenticeships and training	Ordinary	100.00	

20 Debtors – Consolidated

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	103,950	76,998
Other debtors	10,787	10,000
Prepayments and accrued income	64,066	55,117
	<u>178,803</u>	<u>142,115</u>

	2023 £	2022 £
Amounts falling due after more than one year:		
Deferred tax asset (note 26)	12,303	-
	<u>12,303</u>	<u>-</u>
Total debtors	<u>191,106</u>	<u>142,115</u>

21 Debtors – Trust

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments and accrued income	1,434	-
	<u>1,434</u>	<u>-</u>

22 Creditors: amounts falling due within one year – Consolidated

	Notes	2023 £	2022 as restated £
Obligations under finance leases	25	16,866	-
Other taxation and social security		27,726	47,931
Trade creditors		148,001	114,146
Other creditors		19,026	25,024
Accruals and deferred income		81,691	77,830
		<u>293,310</u>	<u>264,931</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

23 Creditors: amounts falling due within one year – Trust

	2023 £	2022 £
Other taxation and social security	5,598	27,659
Trade creditors	6,793	582
Amounts owed to subsidiary undertakings	4,175	9,898
Accruals and deferred income	8,500	5,250
	<u>25,066</u>	<u>43,389</u>

24 Creditors: amounts falling due after more than one year - Consolidated

	Notes	2023 £	2022 £
Obligations under finance leases	25	<u>67,466</u>	<u>-</u>

25 Finance lease obligations

Future minimum lease payments due under finance leases:

	2023 £	2022 £
Within one year	16,866	-
Within two and five years	67,466	-
	<u>84,332</u>	<u>-</u>

26 Deferred tax

The following are the major deferred tax liabilities and assets, recognised by the group and movements thereon:

Group	2023 £	2022 £
Accelerated capital allowances - Liability	(47,683)	-
Tax losses carried forward - Asset	59,986	-
	<u>12,303</u>	<u>-</u>

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

(Continued)

26 Deferred tax

Movements on deferred tax

	2023 £
Accelerated capital allowances	(47,683)
Tax losses carried forward	59,986
Asset at 31 August 2023	12,303

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	54,189	44,553
Between two and five years	140,894	165,870
In over five years	-	6,667
	195,083	217,090

28 Related party transactions

During the year the trust received charitable income from the following companies in which some of the trustees have an interest: -

Navtech Radar Limited - £1,016 (2022: £1,494)
High Spec Composites Ltd - £254 (2022: £nil)

During the year Engineering Trust Training Limited received income and/or incurred (expenditure) from/with the following companies in which some of the trustees have an interest: -

Navtech Radar Limited - Income £5,470 (2022: £596)
Group Training and Development Limited - Income £48,055 (2022: £nil); Expenditure £(80,313) (2022: £nil).

Amounts due from/(to) the above companies as at the year-end were as follows: -

Navtech Radar Limited - £2,700 (2022: £nil)
Group Training and Development Limited - £(23,619) (2022: £nil)

The group has taken advantage of the exemptions provided by FRS 102 Section 33, not to disclose transactions and outstanding balances with Engineering Trust Training Limited as it is wholly owned by The Engineering Trust.

29 Constitution

The Engineering Trust is a company limited by guarantee. In the event of liquidation, each member is liable to contribute a sum not exceeding £20 if there is a deficiency of assets.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

30	Cash generated from operations – Consolidated	2023	2022 as restated		
		£	£		
	Deficit for the year	(4,199)	(201,052)		
	Adjustments for:				
	Taxation credited	(12,303)	-		
	Investment income recognised in statement of financial activities	(1,540)	(138)		
	(Gain)/loss on disposal of tangible fixed assets	-	110		
	Depreciation and impairment of tangible fixed assets	20,717	3,713		
	Movements in working capital:				
	(Increase) in debtors	(36,688)	(33,254)		
	Increase in creditors	11,513	171,706		
	Cash absorbed by operations	(22,500)	(58,915)		
31	Analysis of changes in net funds – Consolidated				
	At 1 September 2022	Cash flows	New finance leases	At 31 August 2023	
	£	£	£	£	
	Cash at bank and in hand	251,210	(118,986)	-	132,224
	Obligations under finance leases	-	-	(84,332)	(84,332)
		251,210	(118,986)	(84,332)	47,892
32	Prior period adjustment				
					31 August 2022 £
	Adjustments to prior year				
	Recognise holiday pay accrual				(22,043)
	Total adjustments				(22,043)
	Funds as previously reported				180,289
	Funds as adjusted				158,246

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

32 Prior period adjustment

(Continued)

Changes to the consolidated statement of financial activities

	Year ended 31 August 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Raising funds	924,230	22,043	946,273
Net expenditure for the year	(179,009)	(22,043)	(201,052)
Net movement in funds	(179,009)	(22,043)	(201,052)

Changes to the consolidated balance sheet

	At 31 August 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Creditors due within one year			
Accruals and deferred income	(55,787)	(22,043)	(77,830)
Net current assets	150,437	(22,043)	128,394
Total assets less current liabilities	180,289	(22,043)	158,246
Income funds			
Unrestricted funds	180,289	(22,043)	158,246
Total funds	180,289	(22,043)	158,246

Notes to reconciliation

Following a review of the balances in the prior year, it was noted that a holiday pay accrual should have been accounted for in the 2022 financial statements. A prior year adjustment has therefore been made to account for this. The impact on the comparative amounts is shown above.

THE ENGINEERING TRUST

England & Wales - Charity number 287075

Accounts

Charity Registration No. 287075

Company Registration No. 01706333 (England and Wales)

THE ENGINEERING TRUST
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE ENGINEERING TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee Directors	Ms S Jaycock Mr R Morris Mr N Locke	(Appointed 22 March 2023)
Charity number	287075	
Company number	01706333	
Registered office	11 Wedgwood Road Bicester Oxfordshire OX26 4UL	
Auditor	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford Oxfordshire OX2 7DY	
Bankers	National Westminster Bank Plc 43 Cornmarket Street Oxford Oxfordshire OX1 3HA	

THE ENGINEERING TRUST

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THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The trustee directors present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the group's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Group is made up of The Engineering Trust (The Trust) and its wholly owned subsidiary, Engineering Trust Training Limited (ETT).

The Trust is registered with the Charity Commission in England and Wales and is a company limited by guarantee registered at Companies House. The governing document of the company is the Memorandum and Articles of Association incorporated 14 March 1983 as amended 4 May 1983, 25 May 2006 and 2 June 2009.

Objectives and activities

The Group continues to be successful in the promotion of engineering, promotion of careers in the industry, delivery of apprenticeships and celebration of those working in the industry.

The main business of the Group is delivered via ETT which is involved in the training of apprentices for the Engineering, Manufacturing and Maintenance sectors. Other initiatives have been introduced into the group to further improve its impact and reach its objectives.

Public Benefit

The trustees have taken into account the Charity Commission guidance on public benefit and believe that the activities of the Trust are in line with guidance.

Achievements and performance

The Trust

The Trust's work within schools and colleges continued with face-to-face events and careers talks. Other Trust projects such as STEM Summer Courses opened for the first time, increasing The Trust's work, and further meeting its charitable aims. The Trust took on a deeper role in the governance of ETT by completing regular satisfaction and wellbeing surveys of apprentices and also by surveying employers to better understand their experience of ETT delivery and gain improved oversight. The Trust continued to run its own Awards, recognising excellence within the apprentices and employers that ETT work with. It also, for the first time, sponsored a category within the Oxfordshire Apprenticeship Awards.

ETT

ETT places future engineers into good quality apprenticeships, many of whom go on to further learning and obtain senior or management positions because of their apprenticeship. ETT offers apprenticeships at levels 2, 3 and 4, training more than 180 apprentices across the south of England, holding a Grade 2 'Good' OFSTED result across all four areas from its inspection in summer 2022. 2021/22 saw a tightening of the labour market and limited ETT's ability to meet the demand from employers looking to take on apprentices. This demand from employers however remains strong, and our pipeline of new apprenticeship opportunities continues to grow. As planned, ETT opened The Engineering Skills Academy, its own in-house training facility in Bicester.

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

2021/22 was also a challenging year for ETT as its business model was shown to be weak when increased numbers of apprentices were put through the organisation. This has meant the Group making a loss as predicted it would in the previous years Directors' Annual Report. The biggest factor was the reliance on subcontracting part of the apprenticeship programme to local colleges and the costs associated with this, especially when putting high numbers of apprentice through. A Business Development role was introduced into the business which did not have the impact expected and ETT reduced the amount of management fee being charged to The Trust, decreasing income into ETT. These elements, plus the tightening labour market has led to The Group making a loss. ETT is on track to make a profit in 2022/23.

Engineering Trust Training will not be in a position to donate any funds to The Trust for this financial year.

Plans for future periods

The Trust

The Trust will continue its work over the next 12 months, supporting schools and colleges with careers advice and guidance. It will hold its Annual Apprentice Awards and will run the second season of its STEM Summer Courses which will double in size for 2023. Increasing the charities direct income is a key objective of the next 12 months with the intention of not being solely reliant on income from ETT making a profit (although ETT making a profit and contributing to the charity remains an important source of income). STEM Summer Courses offers one such revenue stream and we are also working to encourage our partner employers to donate funds in support of our work in schools promoting careers in engineering.

ETT

Moving forward, significant changes have been made to ETT to move it back into profit. The first is the opening of The Engineering Skills Academy. This is the main tool that will be used to reduce the volume of subcontracting to colleges, teaching learners directly and keeping the funding, and profit within ETT. The Academy will also allow the development of other training programmes and sources of revenue. The ineffective Business Development role has been removed, with responsibility for this element moving back to senior leaders to ensure the business remains on track with planned growth. GTD, an organisation who ETT subcontracted learners to in Devon, will be moved under direct delivery which will be financial positive for ETT. These measures have been taken not only to move ETT back into profit in 2022/23 but to also maintain our profitability in future years.

Structure, governance and management

Trustees are drawn from the member companies, which comprise businesses in the local area involved in engineering related activities.

During the year, the trustee directors have reviewed the risks, which may affect the charity and have amended their risk assessment where necessary.

The trustee directors, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms S Jaycock

Mr R J Green

Mr R Morris

Mr N Locke

(Resigned 25 November 2022)

(Appointed 22 March 2023)

THE ENGINEERING TRUST

TRUSTEE DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Statement of trustee directors' responsibilities

The trustee directors, who are also the directors of The Engineering Trust for the purpose of company law, are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustee directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Shaw Gibbs (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustee directors' report was approved by the Board of Trustee Directors.



.....
Mr R Morris
Trustee director

Date: 30 May 2023

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Opinion

We have audited the financial statements of The Engineering Trust (the 'group') for the year ended 31 August 2022 which comprise the statement of financial activities, the statement of cash flows and notes to the financial statements, including 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 group's and the Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, 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 group 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 trustee directors' 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee directors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Responsibilities of trustee directors

As explained more fully in the statement of trustee directors' responsibilities, the trustee directors, who are also the directors of the group for the purpose 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 trustee directors 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 trustee directors are responsible for assessing the group'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 trustee directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focused on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assessed the risk of material misstatement in the financial statements including as a result of fraud and undertook procedures including:
 - a. Reviewing the controls set in place by management
 - a. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist
 - b. Challenging management assumptions with regard to accounting estimates
 - c. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ENGINEERING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE DIRECTORS OF THE ENGINEERING TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Daniels

Samantha Daniels (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited

30 May 2023

.....

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
Oxfordshire
OX2 7DY

Shaw Gibbs (Audit) Limited is eligible for appointment as auditor of the group by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Unrestricted funds as restated
		2022	2021
	Notes	£	£
<u>Income and endowments from:</u>			
Charitable activities	3	25,859	-
Other trading activities	4	785,933	594,639
Investments	5	138	51
Other income	7	11,500	-
Total income		823,430	594,690
<u>Expenditure on:</u>			
Raising funds	8	924,230	630,873
Charitable activities	9	78,209	24,758
Total expenditure		1,002,439	655,631
Net expenditure for the year/ Net movement in funds		(179,009)	(60,941)
Fund balances at 1 September 2021		359,298	420,239
Fund balances at 31 August 2022		180,289	359,298

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Unrestricted funds as restated
		2022	2021
	Notes	£	£
<u>Income and endowments from:</u>			
Charitable activities	3	25,859	-
Investments	6	30,296	36,461
Total income		<u>56,155</u>	<u>36,461</u>
<u>Expenditure on:</u>			
Charitable activities	10	110,010	86,946
Total expenditure		<u>110,010</u>	<u>86,946</u>
Net expenditure for the year/ Net movement in funds		(53,855)	(50,485)
Fund balances at 1 September 2021		<u>257,759</u>	<u>308,244</u>
Fund balances at 31 August 2022		<u><u>203,904</u></u>	<u><u>257,759</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENGINEERING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

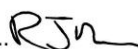
	Notes	Group 2022 £	2021 £	Trust 2022 £	2021 £
Fixed assets					
Tangible assets	16 & 17	29,852	8,621	1,140	1,520
Investments	18	-	-	160,000	160,000
		<u>29,852</u>	<u>8,621</u>	<u>161,140</u>	<u>161,520</u>
Current assets					
Debtors	20 & 21	142,115	108,861	-	4,163
Cash at bank and in hand		251,210	335,041	86,153	94,976
		<u>393,325</u>	<u>443,902</u>	<u>86,153</u>	<u>99,139</u>
Creditors: amounts falling due within one year	22 & 23	(242,888)	(93,225)	(43,389)	(2,900)
Net current assets		<u>150,437</u>	<u>350,677</u>	<u>42,764</u>	<u>96,239</u>
Total assets less current liabilities		<u>180,289</u>	<u>359,298</u>	<u>203,904</u>	<u>257,759</u>
Income funds					
General unrestricted funds		<u>180,289</u>	<u>359,298</u>	<u>203,904</u>	<u>257,759</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

30 May 2023

The financial statements were approved by the Trustee Directors on

..... 
Mr R Morris
Trustee

Company Registration No. 01706333

THE ENGINEERING TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	28		(58,915)		(57,508)
Investing activities					
Purchase of tangible fixed assets		(25,054)		(1,670)	
Investment income received		138		51	
Net cash used in investing activities			(24,916)		(1,619)
Net decrease in cash and cash equivalents			(83,831)		(59,127)
Cash and cash equivalents at beginning of year			335,041		394,168
Cash and cash equivalents at end of year			251,210		335,041

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

The Engineering Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 11 Wedgwood Road, Bicester, Oxfordshire, OX26 4UL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the group's Memorandum and Articles of Association incorporated 14 March 1983 as amended 4 May 1983, 25 May 2006 and 2 June 2009, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The trust is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including the trust, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The trust has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period error

During the preparation of these financial statements, it was noted that a few items were incorrectly classified within the Consolidated and Trust Statement of Financial Activities in 2021. A prior period restatement has therefore been processed, as detailed in note 27.

1.3 Going concern

At the time of approving the financial statements, the trustee directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee directors in furtherance of their charitable objectives.

1.5 Income

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

The group's income is largely from the activities of Engineering Trust Training Limited. A significant proportion of this relates to contracts with the Education and Skills Funding Agency for monitoring and assessment of apprenticeships in engineering.

Income from unlisted investments is recognised on a receivable basis.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% Straight line
Plant and equipment	25% Reducing balance
Fixtures and fittings	15-33% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are held at cost.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

No corporation tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under the gift aid scheme.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Government grants

Grants are accounted for on a received basis. Grants for capital items are credited to the cost of the fixed asset.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustee directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities – Consolidated and Trust

	Summer Camp Income 2022 £	2021 £
Sales within charitable activities	25,859	-

4 Other trading activities – Consolidated

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Engineering apprenticeships and other work-based training	785,933	594,639

5 Investments – Consolidated

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	138	51

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6 Investments – Trust

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	13,200	12,750
Income from unlisted investments	17,086	23,709
Interest receivable	10	2
	<u>30,296</u>	<u>36,461</u>

7 Other income – Consolidated

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Sponsorship revenue	10,000	-
Government grants	1,500	-
	<u>11,500</u>	<u>-</u>

8 Raising funds – Consolidated

	Unrestricted funds	Unrestricted funds as restated
	2022	2021
	£	£
<u>Trading costs</u>		
Direct costs	287,689	158,078
Support costs	636,541	472,795
	<u>924,230</u>	<u>630,873</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities – Consolidated

	Training 2022 £	Training as restated 2021 £
Depreciation	380	505
Direct costs	48,569	16,337
	<u>48,949</u>	<u>16,842</u>
Share of support costs (see note 11)	23,033	5,216
Share of governance costs (see note 11)	6,227	2,700
	<u>78,209</u>	<u>24,758</u>

10 Charitable activities – Trust

	Training 2022 £	Training as restated 2021 £
Depreciation	380	505
Direct costs	77,720	71,525
	<u>78,100</u>	<u>72,030</u>
Share of support costs (see note 12)	23,033	5,216
Share of governance costs (see note 12)	8,877	9,700
	<u>110,010</u>	<u>86,946</u>

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Support costs – Consolidated

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	456,234	-	456,234	336,802	-	336,802
Depreciation and (profit)/loss on disposal	3,443	-	3,443	1,566	-	1,566
Premises expenses	24,047	-	24,047	5,606	-	5,606
Insurance	6,715	-	6,715	3,875	-	3,875
Computer running costs	35,686	-	35,686	21,513	-	21,513
Motor and travel expenses	41,136	-	41,136	34,543	-	34,543
Subscriptions and publications	1,772	-	1,772	5,280	-	5,280
Printing, postage, stationery and advertising	9,290	-	9,290	10,200	-	10,200
Irrecoverable VAT	25,599	-	25,599	14,011	-	14,011
Other costs	12,593	-	12,593	7,429	-	7,429
Audit and accountancy	-	12,412	12,412	-	7,770	7,770
Legal and professional fees	-	11,314	11,314	-	7,554	7,554
Consulting fees	-	25,560	25,560	-	24,562	24,562
	<u>616,515</u>	<u>49,286</u>	<u>665,801</u>	<u>440,825</u>	<u>39,886</u>	<u>480,711</u>
Analysed between						
Trading	593,482	43,059	636,541	435,609	37,186	472,795
Charitable activities	23,033	6,227	29,260	5,216	2,700	7,916
	<u>616,515</u>	<u>49,286</u>	<u>665,801</u>	<u>440,825</u>	<u>39,886</u>	<u>480,711</u>

Governance costs includes payments to the auditors of £5,300 (2021 - £4,830) for audit fees.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Support costs – Trust

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Premises expenses	15,729	-	15,729	5,215	-	5,215
Marketing and promotion of engineering	6,932	2,650	9,582	-	7,000	7,000
Other costs	372	-	372	1	-	1
Audit and accountancy	-	6,227	6,227	-	2,700	2,700
	<u>23,033</u>	<u>8,877</u>	<u>31,910</u>	<u>5,216</u>	<u>9,700</u>	<u>14,916</u>
Charitable activities	<u>23,033</u>	<u>8,877</u>	<u>31,910</u>	<u>5,216</u>	<u>9,700</u>	<u>14,916</u>

Governance costs includes payments to the auditors of £3,000 (2021 - £2,730) for audit fees.

13 Trustee Directors

None of the trustee directors (or any persons connected with them) received any remuneration or benefits from the group during the year (2021: Nil).

14 Employees – Consolidated and Trust

The average monthly number of employees for the group during the year was:

2022 Number	2021 Number
<u>12</u>	<u>8</u>

The trust had no employees during the current and previous year.

Employment costs	2022 £	2021 £
Wages and salaries	369,949	266,881
Social security costs	34,472	27,653
Other pension costs	18,534	29,746
	<u>422,955</u>	<u>324,280</u>

There were no employees whose annual remuneration was more than £60,000.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

15 Pensions

The group makes payments to a defined contribution pension scheme for the benefit of its employees.

The pension cost for the year was £18,534 (2021: £29,746).

16 Tangible fixed assets – Consolidated

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2021	-	14,712	13,046	27,758
Additions	22,165	2,889	-	25,054
Disposals	-	-	(554)	(554)
At 31 August 2022	22,165	17,601	12,492	52,258
Depreciation and impairment				
At 1 September 2021	-	10,038	9,099	19,137
Depreciation charged in the year	1,205	1,780	728	3,713
Eliminated in respect of disposals	-	-	(444)	(444)
At 31 August 2022	1,205	11,818	9,383	22,406
Carrying amount				
At 31 August 2022	20,960	5,783	3,109	29,852
At 31 August 2021	-	4,674	3,947	8,621

17 Tangible fixed assets – Trust

	Fixtures and fittings £
Cost	
At 1 September 2021	7,250
At 31 August 2022	7,250
Depreciation and impairment	
At 1 September 2021	5,730
Depreciation charged in the year	380
At 31 August 2022	6,110
Carrying amount	
At 31 August 2022	1,140
At 31 August 2021	1,520

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Fixed asset investments – Trust

	Other investments
Cost or valuation	
At 1 September 2021 & 31 August 2022	160,000
Carrying amount	
At 31 August 2022	160,000
At 31 August 2021	160,000

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	19	160,000	160,000

19 Subsidiaries

Details of the group's subsidiaries at 31 August 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Engineering Trust Training Limited	11 Wedgwood Road, Bicester, Oxfordshire, OX26 7DY	Delivery apprenticeships and training	Ordinary	100.00	

20 Debtors – Consolidated

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	76,998	81,753
Other debtors	10,000	9,150
Prepayments and accrued income	55,117	17,958
	142,115	108,861

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Debtors – Trust

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	-	2,163
Prepayments and accrued income	-	2,000
	-	4,163

22 Creditors: amounts falling due within one year – Consolidated

	2022	2021
	£	£
Other taxation and social security	47,931	14,782
Trade creditors	114,146	35,082
Other creditors	25,024	29,680
Accruals and deferred income	55,787	13,681
	242,888	93,225

23 Creditors: amounts falling due within one year – Trust

	2022	2021
	£	£
Other taxation and social security	27,659	-
Trade creditors	582	-
Amounts owed to subsidiary undertakings	9,898	-
Accruals and deferred income	5,250	2,900
	43,389	2,900

24 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	44,553	23,270
Between two and five years	165,870	22,320
In over five years	6,667	-
	217,090	45,590

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

25 Related party transactions

During the year the company received charitable income in relation to the summer camp of £1,494 (2021: £nil) from Navtech Radar Limited, a company in which one of the trustees has an interest.

The group has taken advantage of the exemptions provided by FRS 102 Section 33, not to disclose transactions and outstanding balances with Engineering Trust Training Limited as it is wholly owned by The Engineering Trust.

26 Constitution

The Engineering Trust is a company limited by guarantee. In the event of liquidation, each member is liable to contribute a sum not exceeding £20 if there is a deficiency of assets.

27 Prior period error

During the preparation of these financial statements, it was noted that a few items were incorrectly classified within the Consolidated and Trust Statement of Financial Activities (SOFA) in 2021. A prior period restatement has therefore been processed, as detailed below.

Consolidated SOFA

Charitable costs of £16,327 were incorrectly classified as fundraising costs. These have now been classified within charitable costs as follows; Depreciation - £505 and Direct Costs - £15,822.

Separately, fundraising costs were understated by £62,200 due to an error in the classification of a consolidation elimination adjustment. Charitable costs were overstated by the same amount. This has now been correctly classified against charitable costs.

Fundraising costs increased by £45,873 as a result of the above restatements, and charitable costs decreased by the same amount.

Trust SOFA

Charitable costs of £16,327 were incorrectly classified as fundraising costs. These have now been classified within charitable costs as follows; Depreciation - £505 and Direct Costs - £15,822.

Fundraising costs decreased by £16,327 as a result of the above restatements, and charitable costs increased by the same amount.

There was no impact on the Consolidated or Trust net expenditure from the above restatements.

THE ENGINEERING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

28	Cash generated from operations – Consolidated	2022 £	2021 £
	Deficit for the year	(179,009)	(60,941)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(138)	(51)
	Loss on disposal of tangible fixed assets	110	-
	Depreciation and impairment of tangible fixed assets	3,713	2,171
	Movements in working capital:		
	(Increase) in debtors	(33,254)	(28,238)
	Increase in creditors	149,663	29,551
	Cash absorbed by operations	<u>(58,915)</u>	<u>(57,508)</u>
29	Analysis of changes in net funds		
	The group had no debt during the year.		

THE ENGINEERING TRUST

England & Wales - Charity number 287075

Accounts

AMENDED

THE ENGINEERING TRUST
CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

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Company Registration Number 01706333

Charity Registration Number 287075

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

DIRECTORS' ANNUAL REPORT

The directors present their report together with the consolidated audited accounts for the year ended 31 August 2021.

Reference and Administrative Details of the Charity, its Trustees and Advisers

The Engineering Trust is registered as follows:

Charity Registration Number: 287075

Company Registration Number: 01706333

The directors set out below held office during the year. The directors are all trustees of the charity.

T J Green (Chair) (resigned 13th April 2021)
R J Green (Secretary)
W J Stewart-Lee (resigned 14th September 2021)
R J Morris
S D Jaycock (appointed 13th July 2021)

The Chief Executive of the Charity is Mark Vingoe based at the Registered Office.

Bankers

National Westminster Bank Plc
43 Cornmarket Street
Oxford
OX1 3HA

Auditors

Shaw Gibbs (Audit) Limited
264 Banbury Road
Oxford
OX2 7DY

Registered Office and Principal Office

2, The Courtyard
Home Farm
Caversfield
Bicester
OX27 8TG

Public Benefit

The trustees have taken into account the Charity Commission guidance on public benefit and believe that the activities of the Trust are in line with that guidance.

Structure Governance and Management

The Engineering Trust is registered with the Charity Commission in England and Wales and is a company limited by guarantee registered at Companies House.

The governing instrument of the company is the Memorandum and Articles of Association incorporated 14 March 1983 as amended 4 May 1983, 25 May 2006 and 2nd June 2009.

Trustees are drawn from the member companies, which comprise businesses in the local area involved in engineering related activities.

During the year, the Directors have reviewed the major risks, which may affect the charity, and have amended their risk assessments where necessary.

Objectives and Activities

To promote training of persons employed, or intending to be employed in industry and commerce. To extend such provision or assistance to the training or education of members of the public generally.

The main business of the company continues to be operated through its wholly owned subsidiary, Engineering Trust Training Limited.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

DIRECTORS' ANNUAL REPORT (CONTINUED)

Achievements and Performance

The Group continues to successfully place future engineers into good quality apprenticeships. Many of the apprentices go on to Foundation degree level or further training and obtain senior or management positions because of their apprenticeship.

The group plans to offer the following apprenticeship standards during 2021/22

- Engineering Manufacturing Technician (Level 4)
- Engineering Space Technician (Level 4)
- Engineering Technician (Level 3)
- Maintenance & Operations Engineering Technician (Level 3)
- Engineering Fitter (Level 3)
- Engineering Design & Draughtsperson (Level 3)
- Fabrication & Welding (Level 3)
- Engineering Operative (Level 2)

The Group currently supports in excess of 150 apprentices together with our subcontractor; Group Training and Development Ltd who operate in Devon.

We currently hold a Grade 2 OFSTED across all four areas:

Effectiveness of Leadership & Management
Quality of Teaching, Learning & Assessment
Personal Development, Behaviour & Welfare
Outcome for Learner

The Covid-19 global pandemic continued to affect us during the first 6 months of 2020/21 financial year. The final four months of the 2020/21 financial year were positive as restrictions eased and productivity within the engineering sector grew along with employer confidence to take on new staff and apprentices.

The pandemic, and other economic factors, continue to affect us in terms of delivery and new start apprenticeships. In the first months of the 2021/22 financial year, the tightening of the labour market has limited our ability to meet the demand from employers looking to take on apprentices. This demand from employers however remains strong, and our pipeline of new apprenticeship opportunities continues to grow. These give us a good portfolio of opportunities for new starts for the remaining part of the current financial year which will be filled when our talent pool increases with school and college leavers looking to be placed within apprenticeship roles.

The Trust continued its work with school and college career events with many in 2020/21 being online. Many now are back to face-to-face events and we continue to support them with our attendance. The Trust has several key projects designed to increase its work and further meet its charitable aims. The Trust has taken on a deeper role in the governance of ETT apprenticeship delivery by completing regular satisfaction and wellbeing surveys of apprentices. They will also survey employers to better understand their experience of ETT delivery and gain improved oversight.

Plans for Future Periods

The goals and objectives of the group is to grow, both in terms of the number of apprentices that are trained but also the volume of work the Trust is involved in.

The Group is moving forward with the development of its own Training Venue. This will have its first intake of apprentices in September 2022 and will take in-house some of the delivery currently carried out by college partners. It will also allow the Trust to further develop projects that meets its charitable aim and mission. The Training Venue will require internal investment as well as seeking grants and donations from our industry and relevant philanthropic organisations.

DIRECTORS' ANNUAL REPORT (CONTINUED)

Financial Review

The group has recorded a deficit of £60,941 (2020: £90,258).

The deficit is, in part, is due to the ongoing charitable expenditure which is covered by reserves accumulated in prior years. The deficit is an issue that continues to be addressed to ensure a sustainable future for the Group. A key element to combat the deficit is the growth in the number of apprenticeships that are delivered by ETT and the development of the Training Venue. In-house delivery of the elements that ETT usually pay colleges for will ensure the funding stays within the Group and the margin, usually made by are partner organisations, retained and added to our bottom line. It is likely that the group will again record a deficit in 2021/22 due to the tight labour market in the first part of the financial year and the costs associated with our growth and the development of the Training Venue. The benefit of our growth and opening of the Training Venue will be felt in the 2022/23 financial year.

Engineering Trust Training Limited has agreed a donation of £17,086 under Gift Aid to The Engineering Trust in respect of 2021/22 (2019/20: £23,709).

Directors' Responsibilities

The trustees (who are also directors of The Engineering Trust for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any
- material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

In so far as the trustees are aware there is no relevant audit information of which charity's auditor is unaware and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Shaw Gibbs (Audit) Limited as auditors for the ensuing year will be proposed at the annual general meeting.

ON BEHALF OF THE BOARD

05 May 2022

.....
Date


R J Green (Chair)

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ENGINEERING TRUST

Opinion

We have audited the financial statements of The Engineering Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the group statement of financial activities, the group balance sheet, the charity balance sheet, the group statement of cash flows and the 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 group's and charitable company's affairs as at 31 August 2021 and of the group's 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where

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

Other information

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

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

We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ENGINEERING TRUST

Matters on which we are required to report by exception

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

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption s in preparing the directors' report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, (who are also the directors of the charitable company for the purpose 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act.

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.

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

Use of our report

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

Samantha Daniels (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited

Samantha Daniels

05 May 2022

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
OX2 7DY

Shaw Gibbs (Audit) Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2021 Unrestricted funds £	2020 Unrestricted funds £
Income from:			
Investments		51	598
Other trading activities		594,639	614,938
Total income	2	<u>594,690</u>	<u>615,536</u>
Expenditure on:			
Raising Funds	5	585,000	599,231
Charitable activities	5	70,631	106,563
Total Expenditure		<u>655,631</u>	<u>705,794</u>
Net expenditure		(60,941)	(90,258)
Balances brought forward at 1 September 2020		<u>420,239</u>	<u>510,497</u>
Balances carried forward at 31 August 2021		<u><u>359,298</u></u>	<u><u>420,239</u></u>

All funds are unrestricted.

All income and expenditure derives from continuing activities.

The Consolidated statement of financial activities includes all gains and losses other than those recognised during the year.

The notes on pages 10 to 17 form part of these accounts.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

CONSOLIDATED BALANCE SHEET

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	<u>8,621</u>	<u>9,122</u>
CURRENT ASSETS			
Debtors	12	108,861	80,623
Cash at bank and in hand		<u>335,041</u>	<u>394,168</u>
		443,902	474,791
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(93,225)</u>	<u>(63,674)</u>
NET CURRENT ASSETS		<u>350,677</u>	<u>411,117</u>
NET ASSETS		<u><u>359,298</u></u>	<u><u>420,239</u></u>
FUNDS - Unrestricted			
Capital reserve	14	12,614	12,614
Accumulated surplus	14	<u>346,684</u>	<u>407,625</u>
		<u><u>359,298</u></u>	<u><u>420,239</u></u>

These accounts were approved and authorised for issue on by the Board.



R J Green
Chair

05 May 2022

.....
Date

Company number: 01706333 (England and Wales)

The notes on pages 10 to 17 form part of these accounts.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

CHARITY ONLY BALANCE SHEET

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	1,520	2,025
Investments	11	<u>160,000</u>	<u>160,000</u>
		<u>161,520</u>	<u>162,025</u>
CURRENT ASSETS			
Debtors	12	4,163	5,701
Cash at bank and in hand		<u>94,976</u>	<u>143,418</u>
		99,139	149,119
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(2,900)</u>	<u>(2,900)</u>
NET CURRENT ASSETS		<u>96,239</u>	<u>146,219</u>
NET ASSETS		<u><u>257,759</u></u>	<u><u>308,244</u></u>
FUNDS - UNRESTRICTED			
Capital reserve	14	12,614	12,614
Accumulated surplus	14	<u>245,145</u>	<u>295,630</u>
		<u><u>257,759</u></u>	<u><u>308,244</u></u>

These accounts were approved and authorised for issue on by the Board.


R J Green
Chair

05 May 2022
.....
Date

Company number: 01706333 (England and Wales)

The notes on pages 10 to 17 form part of these accounts.

THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021
CONSOLIDATED CASH FLOW STATEMENT

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash Used in Operating Activities	(57,508)	(54,474)	(48,445)	(99,147)
Cash flows from investing activities				
Interest income	51	598	3	33
Purchase of tangible fixed assets	(1,670)	(877)	0	0
Cash provided by (used in) investing activities	<u>(1,619)</u>	<u>(279)</u>	<u>3</u>	<u>33</u>
Increase/(decrease) in cash and cash equivalents in the year	(59,127)	(54,753)	(48,442)	(99,114)
Cash and cash equivalents at the beginning of the year	394,168	448,921	143,418	242,532
Total Cash and cash equivalents at the end of the year	<u>335,041</u>	<u>394,168</u>	<u>94,976</u>	<u>143,418</u>

The notes on pages 10 to 17 form part of these accounts.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

NOTES TO THE CONSOLIDATED ACCOUNTS

1 Summary of significant accounting policies

General Information and basis of preparation: The Engineering Trust is a charitable company limited by guarantee registered in the UK. In the event of the charity being wound up, the liability in respect of each member is limited to a sum not exceeding £20 if there is a deficiency of assets. The address of the registered office is given in the charity information on page 1. The nature of the charity's operations and principal activities are to promote training of persons employed, or intending to be employed, in industry and commerce. To extend such provision or assistance to the training or education of members of the public generally.

The charity constitutes a public benefit entity as defined by FRS102. The accounts 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 FRS 102), the Financial Reporting Standard applicable in the UK & the Republic of Ireland (FRS 102) and the Companies Act.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The accounts consolidate The Engineering Trust and its subsidiary Engineering Trust Training Limited. The trading results of the subsidiary are shown in note 4. Transactions and balances between the subsidiary have been eliminated from the consolidated financial statements.

The significant accounting policies applied in the preparation of these financial statements are Set out below. These policies have been consistently applied to all years presented unless Otherwise stated.

Unrestricted funds are income generated for the objects of the charity without further restriction and are available as general funds.

Income recognition:

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Expenditure recognition:

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties and the amount of the obligation can be measured reliably. It is categorised under the headings of cost of raising funds and expenditure on charitable activities including direct and support costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is Provided using bases and rates which reflect the anticipated useful lives of the assets and their estimated residual values.

Office equipment	15%-33% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the Sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pensions - Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include management and governance costs.

Going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. They have reviewed the financial position in conjunction with reserve levels and consider them adequate to meet future operational commitments. The future financial impact of Covid-19 has been considered as part of the review and they conclude that the going concern basis of Accounting remains appropriate for the preparation of the financial statements.

Investment in subsidiaries

The investment in subsidiaries is at cost.

Taxation

No corporation tax is payable due to the charitable status of the parent company. Taxable profits are generated by the trading subsidiary are transferred as a gift to the parent company.

Amendments to the financial statements

These revised financial statements replace the original financial statements. The accounts have been amended to correct an omission in the directors' annual report. The gift aid amount in paragraph 2 under Financial Review was originally omitted in error and has now been added at £17,086.

2. INCOMING RESOURCES

The Group's Income for the year is largely derived from the activities of Engineering Trust Training Limited. A significant proportion of this related to contracts with the Education and Skills Funding Agency for monitoring and assessment of apprenticeships in engineering.

3. SUMMARY PERFORMANCE OF THE CHARITY ALONE:

	2021	2020
	£	£
Income	<u>36,461</u>	<u>33,382</u>
Expenditure on raising funds	16,327	26,360
Expenditure on charitable activities	<u>70,619</u>	<u>106,563</u>
Net expenditure	(50,485)	(99,540)
Total funds brought forward	308,244	407,784

Total funds carried forward

257,759

308,244

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

4 INCOME EARNED FROM TRADING ACTIVITIES

The wholly owned trading subsidiary, Engineering Trust Training Limited (ETT), is incorporated in the United Kingdom (company number 02423523) and pays profits to the charity under the gift aid scheme. ETT is a registered training provider specialising in engineering apprenticeships and other work-based learning. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2021	2020
	£	£
Turnover and other operating income	656,839	698,939
Cost of sales and administration costs	(643,623)	(677,872)
Interest receivable	51	565
Profit before tax	13,267	21,632
Corporation Tax	-	-
Profit after tax	<u>13,267</u>	<u>9,283</u>

The assets and liabilities of the subsidiary were:

Fixed assets	7,101	7,097
Current assets	344,765	325,674
Current liabilities	<u>(90,312)</u>	<u>(60,775)</u>
Total net assets	<u>261,554</u>	<u>271,996</u>
Aggregate share capital and reserves	<u>261,554</u>	<u>271,996</u>

5. RESOURCES EXPENDED

	TOTAL	TOTAL
	2021	2020
Cost of raising funds	16,327	26,360
Raising funds trading activities	568,673	572,871
Total cost of raising funds	585,000	599,231
Charitable activities		
Direct costs	55,715	90,814
Support costs	14,916	15,749
Total charitable activities	70,631	106,563
	<u>655,631</u>	<u>705,794</u>

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2020**

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

6	DIRECTORS AND EMPLOYEES	2021 £	2020 £
	Staff costs including directors' emoluments		
	Wages and salaries	266,881	296,281
	Social security costs	27,653	31,899
	Pension costs	<u>29,746</u>	<u>34,942</u>
		<u>324,280</u>	<u>363,122</u>
	No employee received amounts between £70,000 and £80,000 in the year. (2020: None).		
		No.	No.
	Average monthly number employed including executive directors		
	Office and management	<u>8</u>	<u>9</u>

No trustees received any remuneration in the year (2020: none).

Trustees/directors received reimbursement of expenses of £nil during the year (2020:£nil).

Pension costs:

The group operates an auto-enrolled staff pension scheme. The pension cost charge represents contributions payable by the group to the scheme and amounted to £29,746 (2020 £34,942).

7 TAXATION

The company is a registered charity and is exempt from corporation tax for its charitable activities. Corporation tax of £nil (2020: £nil) has been incurred by Engineering Trust Training Limited.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

8 OPERATING LEASE RENTALS

At the reporting end date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Total future non-cancellable operating lease payments	<u>45,590</u>	<u>54,234</u>

9 TANGIBLE FIXED ASSETS - GROUP

	Office equipment and other
	£
Cost or valuation	
1st September 2020	26,088
Additions	1,670
31st August 2021	<u>27,758</u>
Depreciation	
1st September 2020	16,966
Charge for the year	2,171
31st August 2021	<u>19,137</u>
Net book amount	
31st August 2021	<u>8,621</u>
31st August 2020	<u>9,122</u>

10 TANGIBLE FIXED ASSETS – CHARITY

11	FIXED ASSET INVESTMENTS - GROUP AND CHARITY	Group 2021 £	2020 £	Charity 2021 £	2020 £
	Shares in group undertaking	-	-	160,000	160,000
12	DEBTORS - GROUP AND CHARITY	2021 £	2020 £	2021 £	Charity 2020 £
	Trade debtors	81,753	44,325	-	-
	Other tax recoverable	2,163	3,701	2,163	3,701
	Prepayments and accrued income	24,945	32,597	2,000	2,000
		108,861	80,623	4,163	5,701

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP AND CHARITY	Group	Charity
	2021	2020	2021
	£	£	£
			2020
			£
Trade creditors	35,082	15,792	-
Other creditors	14,782	12,338	-
Accruals and deferred income	29,680	20,220	2,900
Tax and social security	13,681	15,324	-
	<u>93,225</u>	<u>63,674</u>	<u>2,900</u>
	<u><u>93,225</u></u>	<u><u>63,674</u></u>	<u><u>2,900</u></u>

14 UNRESTRICTED FUNDS - GROUP AND COMPANY

	Group Accumulated Surplus £	Charity Capital Reserve £	Charity Accumulated Surplus £
At 1 September 2020	407,625	12,614	295,630
Net resources and Movement in funds	(60,941)	-	(50,485)
	<u>346,684</u>	<u>12,614</u>	<u>245,145</u>
At 31 August 2021	<u><u>346,684</u></u>	<u><u>12,614</u></u>	<u><u>245,145</u></u>

The capital reserve is the excess of assets over liabilities taken over from the Oxford and District Training Group.

15 CONSTITUTION

The Engineering Trust is a company limited by guarantee and not having a share capital. In the event of liquidation, each member is liable to contribute a sum not exceeding £20 if there is a deficiency of assets.

16 RELATED PARTIES

Transactions with Engineering Trust Training Limited, a subsidiary company of The Engineering Trust, are not disclosed. The company has taken advantage of the exemptions provided by SORP FRS 102 - Related party disclosures not to disclose transactions with the related undertakings of The Engineering Trust Training Limited.

**THE ENGINEERING TRUST
FOR THE YEAR ENDED 31 AUGUST 2021**

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

17 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net movement in funds	(60,941)	(90,258)	(50,485)	(99,540)
Add back depreciation charge	2,171	2,714	505	675
Deduct interest income shown in investing activities	(51)	(598)	(3)	(33)
Decrease/(Increase) in Debtors	(28,238)	63,957	1,538	(249)
Increase/(Decrease) in Creditors	29,551	(30,289)	-	-
Net cash used in operating activities	<u>(57,508)</u>	<u>(54,474)</u>	<u>(48,445)</u>	<u>(99,147)</u>