

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

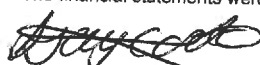
AS AT 31 AUGUST 2025

		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><u>185,640</u></u>	<u><u>184,306</u></u>	<u><u>111,991</u></u>	<u><u>128,575</u></u>
Income funds					
General unrestricted funds		<u><u>185,640</u></u>	<u><u>184,306</u></u>	<u><u>111,991</u></u>	<u><u>128,575</u></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
24	23
<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>