TYNE NORTH TRAINING LIMITED

England & Wales · Charity number 502259

Details

Status	Registered
Legal form	Charitable company
Company number	00992831
Registered	1973-02-08
Register	View on the Charity Commission register

Contact

Address	Tyne North Training Embleton Avenue Willington Square Wallsend NE28 9NJ
Phone	01912626860
Email	tnt@tynenorthtraining.co.uk
Website	www.tynenorthtraining.co.uk

Activities

Objects: TO ADVANCE THE THEORECTICAL AND PRACTICAL EDUCATION OF TRAINING OF PERSON ENGAGED OR INTENDING TO BE ENGAGED IN INDUSTRY.

Activities: The charity exists to support the long term development of young people, adults and companies through the delivery of training related activities that adds maximum value to individuals and the local engineering manufacturing sector, through training to become an apprentice

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People, The General Public/mankind

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Geography

- Durham
- Gateshead
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£7,586	£1,469,631	£1,074,999	12
2024-07-31	£11,877	£1,743,009	£1,058,063	13
2023-07-31	£1,697,366	£2,064,983	£1,076,904	12
2022-07-31	£1,741,225	£1,648,327	£1,451,100	17
2021-07-31	£1,280,038	£1,369,298	£1,405,295	19

Trustees

Name	Role	Appointed
COLIN PRATT		
Graeme Longstaff		2024-10-09
STANLEY ARMSTRONG		
THOMAS IAN SELKIRK		

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TYNE NORTH TRAINING LIMITED

England & Wales - Charity number 502259

Accounts

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

Registered number: 00992831
Charity number: 502259

Tyne North Training Limited

(A company limited by guarantee)

Annual report

Year ended 31 July 2025

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

Tyne North Training Limited

(A company limited by guarantee)

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Tyne North Training Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 July 2025

Trustees

T I Selkirk, Chairman / acting Chief Executive Officer
C Pratt, Vice Chairman
S Armstrong
G Longstaff (appointed 8 October 2024)

Key management personnel

Michael Needham, Chief Executive Officer (resigned 30 September 2024)
David Collins, Chief Executive Officer (appointed 1 August 2025, formerly part of Key Management Personnel as a Senior Training Officer)
Geoff Moore, Quality Manager

Company registered number

00992831

Charity registered number

502259

Registered office

Embleton Avenue
Wallsend
Newcastle upon Tyne
Tyne and Wear
NE28 9NJ

Company secretary

Michael Needham (resigned 30 September 2024)
David Collins (appointed 3 February 2025)

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Barclays Bank Plc
49/51 Northumberland Street
Newcastle upon Tyne
Tyne and Wear
NE1 7AF

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Reference and administrative details (continued)
Year ended 31 July 2025

Solicitors

Hay & Kilner
Helix, The Lumen
St James' Boulevard
Newcastle upon Tyne
NE4 5BZ

Investment managers

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

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Tyne North Training Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 July 2025

The trustees, who act as directors for the purposes of company law, are pleased to present their annual report together with the financial statements for the year ended 31 July 2025.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and the financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

The company, Tyne North Training Limited (TNT), objectives are specific towards the advancement of learning and education for the public benefit of persons engaged in or intending to be engaged in the engineering, manufacturing, processing and related industries.

Core Business Objectives

- Maintain apprenticeship recruitment levels and the number of new employers;
- Maintain or improve overall apprenticeship completion rates;
- Achieve a financial operational surplus; and
- Continually enhance the quality of learning delivery.

The overall aim is to deliver a high-quality service to an increasing number of apprentices and employers within the region by increasing the skills, knowledge and understanding of those involved in engineering and business-related activities.

Contracts with the Department for Education (DfE) and employers provide the funding to deliver accredited advanced apprenticeship standards benefiting young people, the majority whom begin their apprenticeships between the ages of 16-18 years old. The total number of apprentices on-programme during 2024 - 2025 was 283 (2023 - 2024: 344).

We assist the employers in the recruitment process by initially screening all applicants and placing them through an engineering related aptitude test. This is to ensure we present the most suitable potential candidates to employers.

The policy of the trustees is to utilise the charity reserves in supporting business growth and manage risk with any additional surpluses used to enhance the skills and learning of existing apprentices; support employer engagement; design and implement business model changes in response to DfE funding rule changes; and be available as contingency funding in the event of apprentices being made redundant and/or the loss of government funded contracts.

The charity's main activities are to:

- Continue to align business operations to DfE funding rules and regulation;
- Maximise the availability of high-quality apprenticeship candidates for potential employers;
- Deliver high quality, sustainable engineering, manufacturing and business administration apprenticeships.
- Drive and sustain employer engagement and business development activities;
- Finance, plan, resource, implement, and manage business change projects in response to market opportunities and to mitigate charity risk; and
- In the event of any apprentice being made redundant, support and identify alternative employment opportunities for the continuation of their apprenticeship.

Funding levels along with the operation and main activities are reviewed on a annual basis by the trustees.

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Grant making is not a material part of the charity's activities.

Public Benefit
The charitable company offers a wide range of advanced apprenticeships and functional skills to relevant apprentices within the local engineering, manufacturing and business sectors. We are very committed to delivering a high standard of quality that will ensure all users of our service are completely satisfied and have the opportunity to make appropriate comments.

We assist companies to understand and comply with current apprenticeship standards, the contractual arrangements and the apprenticeship levy system. We also support young people in making appropriate apprenticeship decisions, many from disadvantaged backgrounds, guiding them with information and advice to achieve their full potential successfully, progressing them through a level 3 apprenticeship and also providing encouragement and further support onto higher education courses. Should any apprentice be facing the prospect of a possible redundancy, we will continue to offer support and ensure the smooth transition from one employer to another.

ACHIEVEMENTS AND PERFORMANCE

***Achievement*s**
Achievements of the charity are assessed internally and externally, both qualitatively and quantifiably through.

Internal assessment
This is performed through a review against company operating policies and procedures within our Quality Assurance (QA) system that is continually updated along with yearly performance management against business objectives.

External assessments
In November 2024 financial assurance teams from the DfE (then the ESFA), completed a full financial audit against the contractual funding requirements and obligations resulting in a resounding clean bill of health.

In late May 2025 we were subjected to an inspection by Ofsted, resulting in a rating of ‘Good’. This confirmed our high standards of delivery and highlighted overall leadership and management as a particular strength.

Strategic Objectives

Our first strategic objectives were to recruit and train potential apprentices to meet our functional and business requirements, this being achieved by supporting our Training Officers. Our second objective was to minimise external risks and to ensure high levels of compliance through enhanced process standardisation. To achieve this, we introduced an operational audit process to ensure compliance with the DfE funding rules.

The DfE subcontractors rules prohibits any more than 25% of a main providers apprenticeship funding being subcontracted. This requires us to secure and maintain its 'Contractor Cap Exemption' status which was approved for the current year, with an application made and successfully granted for the 2025/26 year. Exemption for 2026/27 will be applied for at the appropriate time.

Staff Matters
Stable staff levels have promoted a good work ethic to complete all the required procedures by keeping sufficient and appropriate records allowing the company to maintain its high standards. The former Chief Executive Officer (CEO) left the charity with effect from 30 September 2024. The chair of the board took on the responsibilities of the CEO whilst a replacement was sought.

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External Factors Impacting Achievement
The main external factors affecting the achievement of business objectives during 2024 - 2025 were:

- The continuing workload of staff for those learners that were due for completion in 2023/24 backed up from those learners with previous years overdue completions dated who were impacted by the coronavirus pandemic - the delayed learners were completed by the end of the financial year; and
- Timely completion of subcontracted delivery of qualifications enabling learner to proceed to End Point Assessment.

Fund Raising
The charity does not raise funding from the general public.

FINANCIAL REVIEW
Income has decreased to £1,470,632 (2024: £1,697,236) with the key movement being a reduction in learner recruitment that resulted in a reduction of funding from the DfE. Support costs are well controlled and have decreased by 16% compared to the previous year. Expenditure on charitable activities has decreased significantly to £1,466,185 (2024: £1,738,601) as a result of the reduction in the Key Management Personnel remuneration. The year end result was a surplus of £16,936 (2024: deficit of £18,841) on unrestricted funds, after investment gains. Given some of the challenging circumstances during the period described above the trustees are satisfied with the year end position.

Investment Policy
The trustees retain its policy of caution where monies are invested – this is reviewed both annually and on receipt of quarterly investment reports, to ensure funds are available for the company to continue to support apprenticeships.

Our investment portfolio managed by Rathbones, has increased to £374,620 from £357,580.

Reserves Policy
The level of unrestricted reserves on 31 July 2025 was £1,074,999 (2024 - £1,058,063).
A policy has been created to ensure that an adequate level of funds, as a minimum, is held to cover possible events below.

1. A fund level to minimise risk to the charity's ability to operate as a going concern.
2. Enable the charity to discharge all its commitments to existing apprentices and companies, should government funding diminish or cease.
3. Fund business development and growth to remain competitive and to offer the charity's services to a wider business community.
4. Support apprentices made redundant to continue and complete their apprenticeships with alternative employers.

A designated capital fund of £332,796 was held at 31 July 2025 which is equal to the net book value of the property. The free reserves held at 31 July 2025 were £716,915. Given the ongoing economic uncertainties the board are satisfied with the level of reserves, which represent approximately 6 months running costs.

Principle Funding Sources
Principle funding sources and associated activities during 2024-25

- **DfE** - 100% government funding up to the apprenticeship standard funding cap for 16-18 apprentices to cover training costs when employed within a small company employing less than 50 employees with a payroll of less than £3 million, however there is a 5% employer funding contribution should they recruit a 19+ apprentice; 95% funding from the DfE and 5% funding cost for an employer recruiting an apprentice who employs more than 50 employees but has a payroll of less than £3 million;
- **Employers** - Large companies who employ more than 50 employees with a payroll in excess of £3 million fund Tyne North Training apprenticeships direct through their employer levy accounts.
- **Commercial income** - investment income and interest – a small proportion of income is generated through the delivery of NVQs to existing adult employees working within apprenticeship employing companies.

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- **Investments** - These are held by an investment manager aiming to bring short term funding through interest and dividend income and long term funding through capital growth and interest received on those investments held.

Going Concern
Whilst the charity has gone through a period of change at management level, the board have prepared and reviewed forecasts for the coming periods based upon expected apprenticeship take up rates and known funding sources. With robust systems in place to ensure ongoing high quality delivery of work and taking into account the significant reserves held, the trustees are satisfied that the going concern basis of preparation remains appropriate for these financial statements.

PLANS FOR FUTURE PERIODS
The company will continue to effectively manage external changes and challenging targets contained within the core objectives agreed each year, to effectively capitalise on future growth opportunities and enhance quality delivery.

The charity will continue to focus on achieving its core objectives to:

- Ensure we continue to meet DfE contractual obligations and maintain both EAL and Pearson assessment centre status;
- Focus on sustaining an improvement in apprenticeship completion rate;
- Improve the quality of learning underpinned by effective training officer continuous professional development (CPD);
- Continue to be active in seeking to increase the number of apprenticeships and new employers through proactive business development supported with quality candidate attraction; and
- Work on the curriculumdesign to ensure delivery meets or exceed both employer and apprentice need and expectations.

The achievement of our strategic objectives will seek to safeguard effective, high quality subcontracted delivery along with our currently embedded proactive account management system across all business functions.

The trustees are currently reviewing the management structure to ensure that the charity has the right leadership to continue to deliver its charitable objective whilst ensuring it can continue for the long term future.

Risk Management
Trustees consider on a regular basis the potential risks that the company may be exposed to and ensure the system currently in place will mitigate that risk.

Cash flow is monitored each month with comparisons against the projected budget, with a financial report presented to the board each quarter.

The principal risks are the continuity of funding from the DfE to continue training apprentices and maintaining the value of quoted investments held with Rathbones.

Other risks are reviewed on a regular basis, and include competitive risks, pressures from other training providers, changes to government funding levels, Ofsted inspection framework and potential political changes.

- An inadequate DfE inspection and subsequent loss or withdrawal of DfE contracts.
- Adapting to changes with the DfE apprenticeship levy.
- Continual alignment to DfE subcontracting rules and regulations and the successful retention of the subcontracting cap exemption status.
- Removal of the charity from the DfE Register of Apprenticeship Training Providers (RoATP)
- The loss of approval as an assessment centre for EAL and/or Pearson, all of which would render the business unable to deliver engineering manufacturing and business & administration apprenticeships.

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To mitigate these risks and to ensure the quality and financial performance of the organisation does not give cause for concern should the loss or withdrawal of these DfE contracts; RoATP and/or approval centre status occur, there are a number of policies, systems and procedures in place, which include:

- Internal quality system designed in accordance with DfE, Ofsted, EAL and Pearson requirements;
- Board approved strategic and operational business objectives;
- A sound financial base, exercising financial probity with a minimum financial 'satisfactory' rating from the DfE;
- Continuous, close monitoring of DfE funding rule changes, contractual requirements and minimum level performance criteria along with the need to continually align its operations to Ofsted, Education Inspection Framework (EIF) requirements;
- Ensure performance figures and success rates are consistently above national averages;
- Retain and employ expert, highly qualified and committed staff who regularly undertake training and CPD activities; and
- Ensuring reports are consistent and favourable from EAL external verifier and Pearson standards verifier audits.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee and is governed by a memorandum and articles of association. The directors of the company are also trustees of the charity. Eligibility for membership of the charity and membership of the board of trustees is governed by the articles of association. There are no restrictions in the governing documents on the operation of the charity or on its investment powers other than those imposed by charity law.

The organisation is governed by a board of directors that consists of nominated members and is responsible for the management and control of the charity and its direction of work.

Trustee Recruitment and appointment
Nominated trustees are appointed from member companies who carry out business in the engineering industry or commerce. Election is by a majority vote with and trustees are initially appointed for a 3-year term.

Prior to inviting nominees, the chair reviews the existing experience base of the current trustees to attract members with the relevant skills and knowledge of the sector.

Organisation structure
The board provide delegated authority to the Chief Executive Officer, who in turn leads the employees to successfully operate the business and set the strategic direction. During the year, the chair of the board covered the CEO position. On 1 August 2025, David Collins was appointed as the new CEO and the chair resumed normal duties as chair of the board.

Pay policy for senior staff
Staff salaries are reviewed annually by the board to ensure packages offered to staff are competitive in the marketplace.

Trustees
Trustees give their time freely throughout the year without receiving any form of financial remuneration. Any connection with the charity and any contractual relationship with a related party must be disclosed at each board meeting.

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Disclosure of information to Auditor

Each of the trustees is aware at the time of the report is approved:

- There is no relevant audit information of which the charity auditors are unaware.
- 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 auditors are aware of that information.

Auditors

In accordance with the charity's articles, a resolution proposing that UNW LLP be reappointed as auditors to the charitable company will be present at the General Meeting and disclosed to the full board of trustees.

Approved by order of the members of the board of trustees on 20 March 2026 and signed on their behalf by:

Signed by:
Ian Selkirk
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T I Selkirk
Chairman

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Tyne North Training Limited

(A company limited by guarantee)

Statement of trustees' responsibilities
Year ended 31 July 2025

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' 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 trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 20 March 2026 and signed on its behalf by:

Signed by:
Ian Selkirk
0C9286F6BAAD4C9...

T I Selkirk
Chairman

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

Independent auditor's report to the Members of Tyne North Training Limited

Opinion

We have audited the financial statements of Tyne North Training Limited (the 'charitable company') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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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 trustees are responsible for the other information contained within the annual report. 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and UK tax legislation. In addition, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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We also evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, as well as improper income recognition which includes fraudulent posting of journal entries to income.

Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance regarding actual and potential litigation or claims as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing meeting minutes to identify reported frauds and any potential non-compliance with laws and regulations;
- Identifying journal entries based on risk criteria and testing the identified entries to supporting documentation, in particular journal entries with unusual account combinations; and
- Challenging assumptions and judgments made by management in their significant accounting estimates and evaluating whether there was any evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Use of our report

This report is made solely to the charitable company's trustees, 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
59C7DD6C467F49E...

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

20 March 2026

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Tyne North Training Limited

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 July 2025

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Charitable activities	2	**1,463,046**	**1,463,046**	1,685,359
Investments	3	**7,586**	**7,586**	11,877
Total income		**1,470,632**	**1,470,632**	1,697,236
Expenditure on:				
Investment management costs		**3,446**	**3,446**	4,408
Charitable activities	4	**1,466,185**	**1,466,185**	1,738,601
Total expenditure		**1,469,631**	**1,469,631**	1,743,009
Net income/(expenditure) before net gains on investments		**1,001**	**1,001**	(45,773)
Net gains on investments		**15,935**	**15,935**	26,932
Net movement in funds		**16,936**	**16,936**	(18,841)
Reconciliation of funds:				
Total funds brought forward		**1,058,063**	**1,058,063**	1,076,904
Net movement in funds		**16,936**	**16,936**	(18,841)
Total funds carried forward		**1,074,999**	**1,074,999**	1,058,063

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

The notes on pages 17 to 28 form part of these financial statements.

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

Tyne North Training Limited

(A company limited by guarantee)

Balance sheet
At 31 July 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	7		**358,084**		340,796
Investments	8		**374,620**		357,580
			732,704		698,376
Current assets					
Debtors	9	**157,576**		135,780	
Cash at bank and in hand		**480,740**		514,602	
		638,316		650,382	
Creditors: amounts falling due within one year	10	**(296,021)**		(290,695)	
Net current assets			**342,295**		359,687
Total assets less current liabilities			**1,074,999**		1,058,063
Total net assets			**1,074,999**		1,058,063
Charity funds					
Unrestricted funds	11		**1,074,999**		1,058,063
Total funds			**1,074,999**		1,058,063

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 20 March 2026 and signed on their behalf by:

Signed by:
Ian Selkirk
0C9286F6BAAD4C9.....

T I Selkirk
Chairman

Company registered number: 00992831

The notes on pages 17 to 28 form part of these financial statements.

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

Tyne North Training Limited

(A company limited by guarantee)

Statement of cash flows
Year ended 31 July 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	**(12,437)**	(529,800)
Cash flows from investing activities		
Interest and dividends received	**7,586**	11,877
Purchase of tangible fixed assets	**(27,906)**	-
Proceeds from sale of investments	**50,393**	458,559
Purchase of investments	**(51,498)**	(153,844)
Net cash (used in)/provided by investing activities	**(21,425)**	**316,592**
Change in cash and cash equivalents in the year	**(33,862)**	**(213,208)**
Cash and cash equivalents at the beginning of the year	**514,602**	727,810
Cash and cash equivalents at the end of the year	**480,740**	514,602

The notes on pages 17 to 28 form part of these financial statements

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

Notes to the financial statements
Year ended 31 July 2025

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Tyne North Training Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared under the historical cost convention, are presented in pounds sterling and rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in United Kingdom and registered in England and Wales. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £20 per member of the company.

1.3 Going concern

The trustees have concluded that the material uncertainty that existed in prior year has been sufficiently resolved and there are no current material uncertainties about the charity's ability to continue as a going concern. The charitable company continues to have a strong level of free reserves of £710,203 to support the operations, a strong number of current apprentices in training with more in the pipeline for the 2025/26 academic year and the sub-contracted exemption for the 2025/26 has been granted. The trustees will apply for the 2026/2027 year exemption at the appropriate time and do not believe there are any reasonable grounds for this application to be rejected. Therefore, the trustees believe there is sufficient certainty the charity has the ability to continue as a going concern for at least 12 months from signing these financial statements.

1.4 Income

DfE income is recognised in accordance with apprenticeship funding guidance based upon the amount of progress made by the students concerned or on a straight line basis over the expected duration of the apprenticeship for each student.

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1. Accounting policies (continued)

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. 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes fees of investment managers relating to investments held for income generation.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years
Office equipment	-	15% straight-line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Contingent liabilities

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

1.14 Operating leases

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

1.15 Employee benefits

Short-term benefits
Short-term benefits, including other non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The charity operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

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1. Accounting policies (continued)

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Income from charitable activities

	Unrestricted funds 2025 £	**Total funds 2025 £**
Department for Education	1,396,488	**1,396,488**
Employer contributions	66,558	**66,558**
	1,463,046	**1,463,046**

	Unrestricted funds 2024 £	Total funds 2024 £
Education and Skills Funding Agency	1,656,006	1,656,006
Employer contributions	29,353	29,353
	1,685,359	1,685,359

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3. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Income from investments	7,476	**7,476**
Interest receivable	110	**110**
	7,586	**7,586**

	Unrestricted funds 2024 £	Total funds 2024 £
Income from investments	11,326	11,326
Interest receivable	551	551
	11,877	11,877

4. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Provision of education and training	1,122,981	343,204	**1,466,185**

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Provision of education and training	1,434,940	303,661	1,738,601

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4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	**30,662**	47,188
Premises expenses	**30,556**	40,848
Office costs	**26,233**	29,537
Motor costs	**70,778**	47,952
Bank charges	**1,814**	214
Subscriptions and professional fees (including auditors' remuneration)	**140,365**	94,946
Sundry costs	**21,585**	9,343
Depreciation	**10,618**	8,000
Equipment costs and repairs	**10,593**	25,633
	343,204	303,661

5. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £14,300 *(*2024 - £13,000*)*, and accounting services of £15,000 (2024 - £12,000).

6. Staff costs

	2025 £	2024 £
Wages and salaries	**520,528**	807,049
Social security costs	**56,415**	98,736
Pension costs	**36,299**	37,970
	613,242	943,755

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6. Staff costs (continued)

The average number of persons employed by the company during the year was as follows:

	2025 No.	2024 No.
Provision of education and training	**10**	12
Management	**2**	1
	12	13

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	**2**	-
In the band £360,001 - £370,000	**-**	1

No expenses were reimbursed to any trustees during the year (2024: £nil). No trustees received any remuneration.

The key management personnel of the charity comprise the senior management team (as listed on page 1), with total employee benefits (including pension costs) of £169,512 (2024: £734,358). David Collins is now included as part of the key management personnel in his capacity as the new Chief Executive Officer (formally a senior training officer).

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7. Tangible fixed assets

	Freehold property £	Office equipment £	Total £
Cost			
At 1 August 2024	**400,000**	**184,816**	**584,816**
Additions	**-**	**27,906**	**27,906**
At 31 July 2025	**400,000**	**212,722**	**612,722**
Depreciation			
At 1 August 2024	**59,204**	**184,816**	**244,020**
Charge for the year	**8,000**	**2,618**	**10,618**
At 31 July 2025	**67,204**	**187,434**	**254,638**
Net book value			
At 31 July 2025	**332,796**	**25,288**	**358,084**
At 31 July 2024	340,796	-	340,796

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8. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 August 2024	**357,580**
Additions	**51,498**
Disposals	**(50,394)**
Revaluations	**15,936**
At 31 July 2025	**374,620**
Net book value	
At 31 July 2025	**374,620**
At 31 July 2024	357,580

9. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	**135,372**	120,557
Other debtors	**-**	500
Prepayments and accrued income	**22,204**	14,723
	157,576	135,780

10. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	**74,631**	124,361
Other taxation and social security	**62,623**	73,058
Other creditors	**6,500**	8,000
Accruals and deferred income	**152,267**	85,276
	296,021	290,695

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11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2025 £
Unrestricted funds					
Designated funds					
Property Fund	**340,796**	**-**	**(8,000)**	**-**	**332,796**
General funds					
General funds	**717,267**	**1,470,632**	**(1,461,631)**	**15,935**	**742,203**
Total Unrestricted funds	**1,058,063**	**1,470,632**	**(1,469,631)**	**15,935**	**1,074,999**

The designated property fund has a balance equal to the net book value of the freehold property which enables the non-liquid reserves to be easily identifiable.

Statement of funds - prior year

	Balance at 1 August 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2024 £
Unrestricted funds					
Designated funds					
Property Fund	348,796	-	(8,000)	-	340,796
General funds					
General Funds	728,108	1,697,236	(1,735,009)	26,932	717,267
Total Unrestricted funds	1,076,904	1,697,236	(1,743,009)	26,932	1,058,063

Docusign Envelope ID: 6325D972-2EAA-4ECE-A803-9DA61FC2F419

12. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**16,936**	(18,841)
Adjustments for:		
Depreciation charges	**10,618**	8,000
Gains on investments	**(15,935)**	(26,932)
Dividends and interest from investments	**(7,586)**	(11,877)
(Increase)/decrease in debtors	**(21,796)**	58,897
Increase/(decrease) in creditors	**5,326**	(539,047)
Net cash used in operating activities	**(12,437)**	(529,800)

13. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	**480,740**	514,602

14. Analysis of changes in net debt

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash at bank and in hand	**514,602**	**(33,862)**	**480,740**

15. Contingent liabilities

During the year, a legal claim was brought against the charity which relates to periods up to and including the year ended 31 July 2025. The board are seeking appropriate legal advice and at this current time, the amount of the liability, if any, and subsequent timing of settlement, is extremely uncertain and therefore no amount can be reliably estimated.

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16. Pension commitments

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company which amounted to £36,299 (2024: £37,790).

There are also amounts owing at the year end of £63,825 (2024: £66,161) within creditors which include the outstanding pension contribution in relation to the settlement agreement.

17. Operating lease commitments

At 31 July 2025 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	**42,838**	28,116
Later than 1 year and not later than 5 years	**62,950**	-
	105,788	28,116

18. Related party transactions

There have been no related party transactions in the reporting period.

TYNE NORTH TRAINING LIMITED

England & Wales - Charity number 502259

Accounts

Docusign Envelope ID: AB511B72-2207-4FAC-8595-8BA1F429DF53

Registered number: 00992831
Charity number: 502259

Tyne North Training Limited

(A company limited by guarantee)

Annual report

Year ended 31 July 2024

Docusign Envelope ID: AB511B72-2207-4FAC-8595-8BA1F429DF53

Tyne North Training Limited

(A company limited by guarantee)

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Tyne North Training Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 July 2024

Trustees

T I Selkirk, Chairman / acting Chief Executive Officer
C Pratt, Vice Chairman
S Armstrong
G Longstaff (appointed 8 October 2024)

Key management personnel

Michael Needham, Chief Executive Officer (resigned 30 September 2024)
Geoff Moore, Quality Manager

Company registered number

00992831

Charity registered number

502259

Registered office

Embleton Avenue
Wallsend
Newcastle upon Tyne
Tyne and Wear
NE28 9NJ

Company secretary

Michael Needham (resigned 30 September 2024)
David Collins (appointed 3 February 2025)

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Barclays Bank Plc
49/51 Northumberland Street
Newcastle upon Tyne
Tyne and Wear
NE1 7AF

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Solicitors

Hay & Kilner
Helix, The Lumen
St James' Boulevard
Newcastle upon Tyne
NE4 5BZ

Investment managers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

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Tyne North Training Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 July 2024

The trustees, who act as directors for the purposes of company law, are pleased to present their annual report together with the financial statements for the year ended 31 July 2024.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES
The charity's objectives are specific towards the advancement of learning and education for the public benefit of persons employed or intending to be employed in industry and commerce.

Core Business Objectives
- Maintain apprenticeship recruitment levels and the number of new employers;
- Maintain or improve overall apprenticeship completion rates;
- Achieve a financial operational surplus; and
- Continually enhance the quality of learning delivery.

Our overall aim is to deliver a high-quality service to an increasing number of apprentices and employers within the region by increasing the skills, knowledge and understanding of those involved in engineering and business-related activities.

Contracts with the Education and Skills Funding Agency (ESFA) and employers provide the funding to deliver accredited advanced apprenticeship standards benefiting young people, the majority whom begin their apprenticeships between the ages of 16-18 years old. The total number of apprentices on-programme during 2023 – 2024 was 344 (2022 – 2023: 396).

The policy of the trustees is to utilise the charity reserves in supporting business growth and manage risk with any additional surpluses used to enhance the skills and learning of existing apprentices, support employer engagement; design and implement business model changes in response to ESFA funding rule changes and be available as contingency funding in the event of apprentices being made redundant and/or the loss of government funded contracts.

The charity's main activities are to:
- Continue to align business operations to ESFA funding rules and regulation;
- Maximise the availability of high-quality apprenticeship candidates for potential employers;
- Deliver high quality, sustainable engineering manufacturing and business administration apprenticeships.
- Drive and sustain employer engagement and business development activities;
- Finance, plan, resource, implement, and manage business change projects in response to market opportunities and to mitigate charity risk; and
- In the event of any apprentice being made redundant, support and identify alternative employment opportunities for the continuation of their apprenticeship.

Funding levels along with the operation and main activities are reviewed on an annual basis by the trustees. Grant making is not a material part of the charity's activities.

Docusign Envelope ID: AB511B72-2207-4FAC-8595-8BA1F429DF53

Public Benefit
The charitable company offers a wide range of advanced apprenticeships and functional skills to relevant apprentices within the local engineering manufacturing and business sectors. We are very committed to delivering a high standard of quality that will ensure all users of our service are completely satisfied and have the opportunity to make appropriate comments.

We assist companies to understand and comply with current apprenticeship standards, the contractual arrangements and the apprenticeship levy system. We also support young people in making appropriate apprenticeship decisions, many from disadvantaged backgrounds, guiding them with information and advice to achieve their full potential successfully, progressing them through a level 3 apprenticeship and also providing encouragement and further support onto higher education courses. Should any apprentice be facing the prospect of a possible redundancy, we will continue to offer support and ensure the smooth transition from one employer to another.

ACHIEVEMENTS AND PERFORMANCE

Achievements
Achievements of the charity are assessed internally and externally, both qualitatively and quantifiably through:

Internal assessment
This is performed through a review against company operating policies and procedures within our Quality Assurance (QA) system that is continually updated along with yearly performance management against business objectives.

External assessments:
These are performed by Ofsted who assess our apprenticeship delivery against the (EIF) Education Inspection Framework where we continually maintain our Ofsted 'Good' inspection status, demonstrating high standards and service delivery. Overall Leadership and Management were highlighted as strengths. We are preparing for the possibility of another inspection during 2025.

Financial Assurance Teams from the ESFA audit our performance against the contractual funding requirements and performance management against contractual obligations and national quality measures. We achieved our core apprenticeship completion objective by matching the low target set for unsuccessful apprenticeship completions specific to both engineering and business administration. The overall qualification achievement rate (QAR) for apprenticeships was 76.8% (2023: 70.3%). This is an improvement on the previous year's results for those apprentices, whose progression was impacted and delayed with COVID, successfully completing their apprenticeships. This continued into the early part of 2023/24 but all delayed apprenticeships had been completed by the end of July 2024. We did not achieve our core objective for apprenticeship recruitment targets which was mainly due to a fall in the number of suitable candidates applying for an apprenticeship combined with lower-than-expected employer demand for new apprentices.

Strategic Objectives

Our first strategic objective were to recruit and train human resources to meet our functional and business requirements, this being achieved by supporting our Training Officers. Our second objective was to minimise external risks and to ensure high levels of compliance through enhanced process standardisation. To achieve this, we introduced an operational audit process to ensure compliance with the ESFA funding rules.

The ESFA subcontractor rules prohibits any more than 25% of a main providers apprenticeship funding being subcontracted. This requires us to secure and maintain its 'Contractor Cap Exemption' status which was approved for the current year, with an application made and successfully granted for the 2024/25 year. Exemption for 2025/26 will be applied for at the appropriate time.

Staff Matters
Stable staff levels have promoted a good work ethic to complete all the required procedures by keeping sufficient and appropriate records allowing the company to maintain its high standards. Subsequent to the year end, the

Docusign Envelope ID: AB511B72-2207-4FAC-8595-8BA1F429DF53

former Chief Executive Officer (CEO) left the charity with effect from 30 September 2024. The chair of the board has temporarily taken on the role of the CEO while a long term solution is found.

External Factors Impacting Achievement
The main external factors effecting the achievement of business objectives during 2023 - 2024 were:

- The continuing workload of staff for those learners that were due for completion in 2023/24 backed up from those learners with previous years overdue completion dates who were impacted by the coronavirus pandemic – the delayed learners were completed by the end of the financial year;
- Timely completion of subcontracted delivery of qualifications enabling learners to proceed to End Point Assessment; and
- The embedding of the new level 3 Machining Technician Standard with extensive work undertaken by relevant staff to develop an appropriate deliverable programme.

FINANCIAL REVIEW
Investment Policy
In a constant changing world. the investment policy of the trustees remains one of caution. With continuing cost rises, close monitoring is required to ensure it achieves the best return. Our initial deposit with two investment managers has result in a small profit. During the year, the funds were withdrawn from one investment manager bringing the total investments at year end to £357,580 (2023: £635,363).

Financial Performance
Income has remained largely consistent at £1,697,236 (2023: £1,697,366), the key movements being a reduction in learners that has resulted in less funding from the ESFA, offset by an increase in funding per apprentice and Investment income increasing due to favourable market conditions. The charitable activities expenditure has decreased significantly to £1,698,372 (2023: £2,064,983) due to 2023 including a significant accrual for the former CEO's settlement agreement. The year end result was a deficit of £18,841 (2023: deficit of £374,196) on unrestricted funds, including a gain on investments. Given some of the challenging circumstances during the period described above the trustees are satisfied with the year end position.

Reserves Policy
The level of unrestricted reserves at 31 July 2024 was £1,058,063. These are held for important reasons:

1. Fund necessary activities to minimise risk to the charities ability to operate as a going concern.
2. Enable the charity to discharge all its commitments to existing apprentices and companies should government funding diminish or cease;
3. Fund business development and growth to remain competitive and to offer the charities services to a wider business community; and
4. Support apprentices made redundant to continue and complete their apprenticeships with alternative Employers.

A designated capital fund of £340,796 was held at 31 July 2024 which is equal to the net book value of the property. The free reserves held at 31 July 2024 were £717,267.

Principle Funding Sources
Principle funding sources and associated activities during 2023-24

- **ESFA** - 100% government funding up to the apprenticeship standard funding cap for 16-18 apprentices to cover training costs when employed within a small company employing less than 50 employees with a payroll of less than £3 million, however there is a 5% employer funding contribution should they recruit a 19+ apprentice; 95% funding from the ESFA and 5% funding cost for an employer recruiting an apprentice who employs more than 50 employees but has a payroll of less than £3 million;
- **Employers** - Large companies who employ more than 50 employees with a payroll in excess of £3 million fund Tyne North Training apprenticeships direct through their employer levy accounts.
- **Commercial income** - investment income and interest – a small proportion of income is generated through the delivery of NVQs to existing adult employees working within apprenticeship employing companies.

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- **Investments -** These are held by an investment manager aiming to bring short term funding through interest and dividend income and long term funding through capital growth and interest received on those reserves held.

Going Concern
Whilst the charity has gone through a period of change at management level, the board have prepared and reviewed forecasts for the coming periods based upon expected apprenticeship take up rates and known funding sources. With robust systems in place to ensure ongoing high quality delivery of work and taking into account the significant reserves held, the trustees are satisfied that the going concern basis of preparation remains appropriate for these financial statements.

PLANS FOR FUTURE PERIODS
The company will continue to effectively manage external changes and challenging targets contained within the core objectives agreed each year, to effectively capitalise on future growth opportunities and enhance quality delivery.

The charity will continue to focus on achieving its core objectives to:

- Ensure we continue to meet ESFA contractual obligations and maintain both EAL and Pearson assessment centre status;
- Focus on sustaining an improvement apprenticeship completion rate;
- Improve the quality of learning underpinned by effective training officer continuous professional development (CPD);
- Continue to be active in seeking to increase the number of apprenticeships and new employers through proactive business development supported with quality candidate attraction; and
- Work on the curriculum design with delivery meeting or exceeds both employer and apprentice need and expectations.

The achievement of our strategic objectives will seek to safeguard effective, high quality subcontracted delivery along with our currently embedded proactive account management system across all business functions.

The Trustees are currently reviewing the management structure to ensure that the charity has the right leadership to continue to deliver its charitable objective whilst ensuring it can continue for the long term future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents
The charity is a company limited by guarantee and governed by a Memorandum and Articles of Association.

Organisational Structure and Trustee Induction Process
Prospective trustees may be either:
- An ordinary member - any person being an individual or corporate body who carries on business in the engineering industry or commerce
- A representative member - a person nominated by the company, either a partnership or other unincorporated body which carries on business in the engineering industry or commerce.

Once they are nominated they are invited to attend an 'Executive Committee' meeting in an ex-officio capacity to familiarise themselves with the workings of the charity. The induction includes a meeting with a member of the key management personnel during which any queries relating to the governance, structure or management of the charity and its aims and objectives would be addressed.

On election to the board, they are provided with a copy of:
- Memorandum and Articles of Association.
- Charity Commission's 'The Essential Trustee: What you need to know'.
- The current Self-Assessment Report, Strategic and Operational Business Objectives and Quality Improvement Plan.

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The trustees make and agree strategic objectives and policy decisions on behalf of the business. Implementing the strategic and operational objectives along with the day to day running of the company is delegated to the key management personnel.

Financial expenditure is authorised by two signatories required, including the chairman.

The number of trustees must not be less than three. No external body or person is entitled to appoint a trustee to the board.

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Organisation structure

The trustees provide delegated authority to the Chief Executive Officer (CEO), who in turn leads the employees to successfully operate the business and set the strategic direction. From 30 September 2024, the chair of the board has acted as CEO on a temporary basis while the board seek to appoint a longer term solution into the new role.

Pay policy for senior staff

All trustees give their time freely throughout the year without receiving any form of financial remuneration. Staff salaries are reviewed annually by the board.

Risk Management

Several major risks to which the charity may be exposed to has been identified:

- An inadequate Ofsted inspection;
- Loss or withdrawal of ESFA contracts;
- Inadequate financial ESFA health grade leading to ESFA intervention;
- Misalignment to ESFA subcontracting rules and regulations and therefore the non-award of the subcontracting cap exemption status;
- Removal of the charity from the ESFA Register of Apprenticeship Training Providers (RoATP) list; and
- The loss of approval as an assessment centre for EAL and/or Pearson, all of which would render the business unable to deliver engineering manufacturing and business & administration apprenticeships.

To mitigate risks and to ensure the quality and financial performance of the organisation does not give cause for concern should the loss or withdrawal of these ESFA contracts; RoATP and/or approval centre status occur, there are in place a number of policies, systems and procedures:

- Internal quality system designed in accordance with ESFA, Ofsted, EAL and Pearson, requirements;
- Board approved strategic and operational business objectives;
- A sound financial base, exercising financial probity with a minimum financial ‘satisfactory’ rating from the ESFA;
- Continuous, close monitoring of ESFA funding rule changes, contractual requirements and minimum level performance criteria along with the need to continually align its operations to Ofsted, Education Inspection Framework (EIF) requirements;
- Ensure performance figures and success rates are consistently above national averages;
- Retain and employ expert, highly qualified and committed staff who regularly undertake training and CPD activities; and
- Ensuring reports are consistent and favourable from EAL external verifier and Pearson standards verifier audits.

Additional to the above there are always competitive risks and pressures from other training providers as government funding, apprentice funding rate and the apprenticeship policy is continuously redefined within a financially and operationally competitive environment.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Tyne North Training Limited for the purpose of company law) are responsible for preparing the Trustee's Annual 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company 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 2015 (FRS 102);
- make judgments 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 financial statements on a 'going concern' basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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 charitable company's auditor is aware of that information. .

Approved by order of the members of the board of trustees on 14 April 2025 and signed on their behalf by:

Signed by:

Ian Selkirk

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T I Selkirk
Chairman

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Independent auditor's report to the Members of Tyne North Training Limited

Opinion

We have audited the financial statements of Tyne North Training Limited (the 'charitable company') for the year ended 31 July 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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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 trustees are responsible for the other information contained within the annual report. 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding, environmental law and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

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.

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

Use of our report

This report is made solely to the charitable company's trustees, 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Anne Hallowell

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Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

14 April 2025

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Tyne North Training Limited

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 July 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Charitable activities	2	**1,685,359**	**1,685,359**	1,681,311
Investments	3	**11,877**	**11,877**	16,055
Total income		**1,697,236**	**1,697,236**	1,697,366
Expenditure on:				
Investment management costs		**4,408**	**4,408**	6,185
Charitable activities	4	**1,738,601**	**1,738,601**	2,058,798
Total expenditure		**1,743,009**	**1,743,009**	2,064,983
Net expenditure before net gains/(losses) on investments		**(45,773)**	**(45,773)**	(367,617)
Net gains/(losses) on investments		**26,932**	**26,932**	(6,579)
Net movement in funds		**(18,841)**	**(18,841)**	(374,196)
Reconciliation of funds:				
Total funds brought forward		**1,076,904**	**1,076,904**	1,451,100
Net movement in funds		**(18,841)**	**(18,841)**	(374,196)
Total funds carried forward		**1,058,063**	**1,058,063**	1,076,904

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

The notes on pages 16 to 27 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Balance sheet
At 31 July 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	7		**340,796**		348,796
Investments	8		**357,580**		635,363
			698,376		984,159
Current assets					
Debtors	9	**135,780**		194,677	
Cash at bank and in hand		**514,602**		727,810	
		650,382		922,487	
Creditors: amounts falling due within one year	10	**(290,695)**		(829,742)	
Net current assets			**359,687**		92,745
Total assets less current liabilities			**1,058,063**		1,076,904
Total net assets			**1,058,063**		1,076,904
Charity funds					
Unrestricted funds	11		**1,058,063**		1,076,904
Total funds			**1,058,063**		1,076,904

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 14 April 2025 and signed on their behalf by:

Signed by:
Ian Selkirk
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T I Selkirk
Chairman

Company registered number: 00992831

The notes on pages 16 to 27 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Statement of cash flows
Year ended 31 July 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	**(529,800)**	266,320
Cash flows from investing activities		
Interest and dividends received	**11,877**	16,055
Proceeds from sale of investments	**458,559**	46,172
Purchase of investments	**(153,844)**	(51,774)
Net cash provided by investing activities	**316,592**	**10,453**
Change in cash and cash equivalents in the year	**(213,208)**	**276,773**
Cash and cash equivalents at the beginning of the year	**727,810**	451,037
Cash and cash equivalents at the end of the year	**514,602**	727,810

The notes on pages 16 to 27 form part of these financial statements

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1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Tyne North Training Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared under the historical cost convention, are presented in pounds sterling and rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in United Kingdom and registered in England and Wales. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £20 per member of the company.

1.3 Going concern

The trustees have concluded that the material uncertainty that existed in prior year has been sufficiently resolved and there are no current material uncertainties about the charity's ability to continue as a going concern. The charitable company continues to have a strong level of free reserves of £717,267 to support the operations, a strong number of current apprentices in training with more in the pipeline for the 2024/25 academic year and the sub-contracted exemption for the 2024/25 has been granted. The trustees will apply for the 2025/2026 year exemption at the appropriate time and do not believe there are any reasonable grounds for this application to be rejected. Therefore, the trustees believe there is sufficient certainty the charity has the ability to continue as a going concern for at least 12 months from signing these financial statements.

1.4 Income

ESFA income is recognised in accordance with apprenticeship funding guidance based upon the amount of progress made by the students concerned or on a straight line basis over the expected duration of the apprenticeship for each student.

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1. Accounting policies (continued)

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. 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes fees of investment managers relating to investments held for income generation.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years
Office equipment	-	15% straight-line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Contingent liabilities

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

1.14 Operating leases

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

1.15 Employee benefits

Short-term benefits
Short-term benefits, including other non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

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1. Accounting policies (continued)

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Income from charitable activities

	Unrestricted funds 2024 £	**Total funds 2024 £**
Education and Skills Funding Agency	1,656,006	**1,656,006**
Employer contributions	29,353	**29,353**
	1,685,359	**1,685,359**

	Unrestricted funds 2023 £	Total funds 2023 £
Education and Skills Funding Agency	1,652,249	1,652,249
Employer contributions	29,062	29,062
	1,681,311	1,681,311

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3. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Income from investments	11,326	**11,326**
Interest receivable	551	**551**
	11,877	**11,877**

	Unrestricted funds 2023 £	Total funds 2023 £
Income from investments	14,622	14,622
Interest receivable	1,433	1,433
	16,055	16,055

4. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Provision of education and training	1,434,940	303,661	**1,738,601**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Provision of education and training	1,483,690	575,108	2,058,798

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4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	**47,188**	384,814
Premises expenses	**40,848**	31,344
Office costs	**29,537**	36,766
Motor costs	**47,952**	49,714
Bank charges	**214**	152
Subscriptions and professional fees (including auditors' remuneration)	**94,946**	49,088
Sundry costs	**9,343**	10,680
Depreciation	**8,000**	9,500
Equipment costs and repairs	**25,633**	3,050
	303,661	575,108

5. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £13,000 *(*2023 - £11,000*)*, and accounting services of £12,000 (2023 - £10,800).

6. Staff costs

	2024 £	2023 £
Wages and salaries	**807,049**	970,355
Social security costs	**98,736**	116,790
Pension costs	**37,970**	132,321
	943,755	1,219,466

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6. Staff costs (continued)

The average number of persons employed by the company during the year was as follows:

	2024 No.	2023 No.
Provision of education and training	**12**	13
Management	**1**	1
	13	14

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £360,001 - £370,000	**1**	-
In the band £420,001 - £430,000	**-**	1

No expenses were reimbursed to any trustees during the year (2023: £nil). No trustees received any remuneration.

The key management personnel of the charity comprise the senior management team (as listed on page 1), with total employee benefits (including pension costs) of £442,535 (2023: £607,979).

The total payments to key management personnel in prior year include amounts due under a settlement agreement.

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7. Tangible fixed assets

	Freehold property £	Office equipment £	Total £
Cost			
At 1 August 2023	**400,000**	**184,816**	**584,816**
At 31 July 2024	**400,000**	**184,816**	**584,816**
Depreciation			
At 1 August 2023	**51,204**	**184,816**	**236,020**
Charge for the year	**8,000**	**-**	**8,000**
At 31 July 2024	**59,204**	**184,816**	**244,020**
Net book value			
At 31 July 2024	**340,796**	**-**	**340,796**
At 31 July 2023	348,796	-	348,796

8. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 August 2023	**635,363**
Additions	**153,844**
Disposals	**(461,506)**
Revaluations	**29,879**
At 31 July 2024	**357,580**
Net book value	
At 31 July 2024	**357,580**
At 31 July 2023	635,363

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9. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	**120,557**	148,528
Other debtors	**500**	5,000
Prepayments and accrued income	**14,723**	41,149
	135,780	194,677

10. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	**124,361**	344,902
Other taxation and social security	**73,058**	35,549
Other creditors	**8,000**	6,500
Accruals and deferred income	**85,276**	442,791
	290,695	829,742

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11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2024 £
Unrestricted funds					
Designated funds					
Property Fund	**348,796**	**-**	**(8,000)**	**-**	**340,796**
General funds					
General Funds	**728,108**	**1,697,236**	**(1,735,009)**	**26,932**	**717,267**
Total Unrestricted funds	**1,076,904**	**1,697,236**	**(1,743,009)**	**26,932**	**1,058,063**

The designated property fund has a balance equal to the net book value of the freehold property which enables the non-liquid reserves to be easily identifiable.

Statement of funds - prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
Unrestricted funds					
Designated funds					
Property Fund	356,796	-	(8,000)	-	348,796
General funds					
General Funds	1,094,304	1,697,366	(2,056,983)	(6,579)	728,108
Total Unrestricted funds	1,451,100	1,697,366	(2,064,983)	(6,579)	1,076,904

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12. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	**(18,841)**	(374,196)
Adjustments for:		
Depreciation charges	**8,000**	9,500
(Gains)/losses on investments	**(26,932)**	6,579
Dividends, interests and rents from investments	**(11,877)**	(16,055)
Decrease/(increase) in debtors	**58,897**	(3,771)
(Decrease)/increase in creditors	**(539,047)**	644,263
Net cash (used in)/provided by operating activities	**(529,800)**	266,320

13. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	**514,602**	727,810

14. Analysis of changes in net debt

	At 1 August 2023 £	Cash flows £	At 31 July 2024 £
Cash at bank and in hand	**727,810**	**(213,208)**	**514,602**

15. Contingent liabilities

Subsequent to the year end, a legal claim has been brought against the charity which in part relates to periods up to and including the year ended 31 July 2024. The board are seeking appropriate legal advice and at this current time, the amount of the liability, if any, and subsequent timing of settlement, is extremely uncertain therefore no amount can be reliably estimated.

16. Pension commitments

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company which amounted to £37,970 (2023: £132,321).

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16. Pension commitments (continued)

There are also amounts owing at the year end of £66,161 (2023: £68,122) within creditors which include the outstanding pension contribution in relation to the settlement agreement.

17. Operating lease commitments

At 31 July 2024 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	**28,116**	27,763

18. Related party transactions

There have been no related party transactions in the reporting period.

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TYNE NORTH TRAINING LIMITED

England & Wales - Charity number 502259

Accounts

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Registered number: 00992831
Charity number: 502259

Tyne North Training Limited

(A company limited by guarantee)

Annual report

Year ended 31 July 2023

Docusign Envelope ID: 7DC867FF-F4DE-4CE9-A73C-8D5C755EFC2A

Tyne North Training Limited

(A company limited by guarantee)

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Tyne North Training Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 July 2023

Trustees

T I Selkirk, Chairman
C Pratt, Vice Chairman
S Armstrong
G Longstaff (appointed 8 October 2024)

Key management personnel

Michael Needham, Chief Executive Officer (resigned 30 September 2024)
Geoff Moore, Quality Manager

Company registered number

00992831

Charity registered number

502259

Registered office

Embleton Avenue
Wallsend
Newcastle upon Tyne
Tyne and Wear
NE28 9NJ

Company secretary

Michael Needham (resigned 30 September 2024)

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Barclays Bank Plc
49/51 Northumberland Street
Newcastle upon Tyne
Tyne and Wear
NE1 7AF

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Solicitors

Hay & Kilner
Helix, The Lumen
St James' Boulevard
Newcastle upon Tyne
NE4 5BZ

Investment managers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

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Tyne North Training Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 July 2023

The trustees, who act as directors for the purposes of company law, are pleased to present their annual report together with the financial statements for the year ended 31 July 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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.

OBJECTIVES AND ACTIVITIES

The charity's objects are specific towards the advancement of learning and education for the public benefit of persons employed or intending to be employed in industry and commerce.

Core Business Objectives

- Maintain apprenticeship recruitment levels and the number of new employers
- Maintain or improve overall apprenticeship completion rates
- Achieve a financial operational surplus
- Continually enhance the quality of learning delivery

The overall aim of Tyne North Training Limited remains to increase the skills, knowledge and understanding of those involved in engineering and business-related activities and to deliver high quality services to an increasing number of apprentices and employers within the region.

Contracts with the Education and Skills Funding Agency (ESFA) and employers provide the charity with funding to deliver accredited advanced apprenticeship standards within the engineering manufacturing and business sectors benefitting young people, the majority of which begin their apprenticeships between the ages of 16-18 years old. The total number of apprentices on-programme during 2022 – 2023 was 396 (2021 – 2022: 428).

The policy of the trustees continues to be to utilise charity reserves to support business growth and manage risk with any additional surpluses used to enhance the skills and learning of existing apprentices; support employer engagement; design and implement business model changes in response to ESFA funding rule changes; and be available as contingency funding in the event of apprentices being made redundant and/or the loss of government funded contracts.

The main activities of the charity are to:

- Deliver high quality, sustainable engineering manufacturing and business administration apprenticeships;
- Continue to align business operations to ESFA funding rules and regulations;
- Finance, plan, resource, implement, and manage business change projects in response to market opportunities and to mitigate charity risk;
- Maximise the availability of high quality apprenticeship candidates;
- Drive and sustain employer engagement and business development activities; and
- Deliver support to apprentices made redundant and identify alternative apprenticeship employment opportunities for the continuation of the apprenticeship

The charities main activities and funding levels are reviewed on an annual basis by the trustees. Grant making is not a material part of the charity's activities.

Public Benefit

Tyne North Training Limited offer a wide range of advanced apprenticeships within the local engineering manufacturing and business sectors, as well as delivering functional skills to relevant apprentices.

We are committed to delivering a high level of quality which will ensure all users of our service are completely satisfied and have the opportunity to make comments, suggestions and complaints if necessary. Our service provides information, advice and guidance to support young people in making appropriate apprenticeship decisions, whilst helping companies understand and comply with apprenticeship standards; commercial contractual arrangements and the apprenticeship levy system.

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We support all our apprentices, many from disadvantaged backgrounds, to achieve their full potential successfully progressing them through a level 3 apprenticeship whilst providing encouragement and further support onto higher education courses. Tyne North Training also facilitates the smooth transition from one employer to another for apprentices facing the prospect of redundancy.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Quality Control

Achievements of the charity are assessed internally and externally, both qualitatively and quantifiably. Internal assessment is against company operating procedures contained within our continually updated quality management system, along with yearly performance management against business objectives. External assessments are through Ofsted assessing apprenticeship delivery against the Education Inspection Framework (EIF); ESFA Provider Financial Assurance Teams assessing performance against contractual funding requirements and performance management against contractual obligations and national quality measures. The charity has continually maintained its Ofsted Good inspection status, the most recent being March 2020, demonstrating high standards of delivery, highlighting overall Leadership and Management as a particular strength.

The charity achieved its core apprenticeship completion objective by matching the low target set for unsuccessful apprenticeship completions specific to both engineering and business administration. The overall qualification achievement rate (QAR) for apprenticeships was 70.3% (2022: 66.4%). This is an improvement on the previous year's results from those apprentices whose progression was impacted and delayed with COVID successfully completing their apprenticeships. We did not achieve the core objective for apprenticeship recruitment targets which was mainly due to a fall in the number of suitable candidates applying for an apprenticeship combined with lower-than-expected employer demand for new apprentices.

Both strategic objectives were achieved. The human resource's objective was to recruit and train human resources to meet functional and business requirements. This was achieved by recruiting new staff and supporting them to become effective additions to the organisation to replace those who departed during the financial year. The second objective was to minimise external risks and ensure high levels of compliance through enhanced process standardisation. This was achieved by focusing on three key areas of compliance and introducing operational an audit processes to ensure compliance with the ESFA funding rules applicable to those three key areas.

The ESFA subcontracting funding rules prohibits any more than 25% of a main providers apprenticeship funding being subcontracted. This requires Tyne North Training to secure and maintain its contractor cap exemption status, which was in place for 2022/23, and a successful application has already been granted for the forthcoming year 2023/24.

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Staff Matters

After the loss of employees during 2022, staffing levels have stabilised with the company continuing to promote a good working relationship with personnel. Despite the strain, staff have continued to work well, completing all the required procedures and keeping sufficient and appropriate records to allow the company to maintain its high standards.

As disclosed in note 9, during the year the company reached a settlement agreement with the Chief Executive Officer. The settlement was to agree early termination of their employment contract. The agreement was reached in May 2023. Subsequent to the settlement agreement, the Chief Executive Officer stayed on under a new, short term employment contract to ensure a smooth transition.

External Factors Impacting Achievement

The main external factors effecting the achievement of business objectives during 2022 - 2023 were:

- Excessive workload of staff for those learners due for completion in 2022/23 backed up from those learners with completion dates from 2021/22 who were impacted by the coronavirus pandemic;
- Timely completion of subcontracted delivery of qualifications enabling learners to proceed to End Point Assessment;
- The introduction of the new level 3 Machining Technician Standard. Extensive work undertaken by relevant staff to develop an appropriate deliverable programme; and
- Extensive management resource required to recruit and train incoming staff to replace those who had departed the business. These areas were specifically centred around engineering operations, administration and apprenticeship recruitment.

FINANCIAL REVIEW

Investment Policy

The investment policy of the trustees remains one of caution and with continuing cost rises across the board, close monitoring to ensure it achieves the best return is required. An initial £600,000 was invested with two investment managers during July 2018 which during 2022-23 returned a net unrealised loss of £6,579 (2021-22: £47,093 loss).

Financial Performance

Income has decreased to £1,697,366 (2022: £1,741,225), the key movements being a reduction in learners that result in less funding from the ESFA offset by Investment income increasing due to the interest rates. The charitable activities expenditure has increased significantly to £2,058,798 (2022: £1,641,751) largely as a result if the settlement agreement payable to the former CEO (see staff matters section above). The charitable company achieved a deficit of £374,196 (2022: surplus of £45,805) on unrestricted funds, including a loss on investments.

Reserves Policy

The level of unrestricted reserves at 31 July 2023 is £1,076,904. Charity reserves are held for a number of important reasons:

1. Fund business development and growth to remain competitive and to offer the charities services to a wider business community;
2. Support apprentices made redundant to continue to complete their apprenticeships with alternative employers;
3. Enable the charity to discharge all its commitments to existing apprentices and companies should government funding diminish or cease; and
4. Fund necessary activities to minimise risk to the charities ability to operate as a going concern.

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A designated capital fund of £348,796 was held at 31 July 2023 which is equal to the net book value of the property. The free reserves held at 31 July 2023 was £728,801.

Principle Funding Sources

Principle funding sources and associated activities during 2022-23:

- ESFA – 100% government funding up to the apprenticeship standard funding cap for 16-18 apprentices to cover training costs when employed within a small company employing less than 50 employees with a payroll of less than £3 million, however there is a 5% employer funding contribution should they recruit a 19+ apprentice; 95% funding from the ESFA and 5% funding cost for an employer recruiting an apprentice who employs more than 50 employees but has a payroll of less than £3 million;
- Employers – large companies who employ more than 50 employees with a payroll in excess of £3 million fund Tyne North Training apprenticeships direct through their employer levy accounts; and
- Commercial income, investment income and interest – a small proportion of income is generated through the delivery of NVQs to existing adult employees working within apprenticeship employing companies, plus investment income held by two investment managers and interest received on reserves held.

Going Concern

The board are in ongoing discussions over the future ownership and management structure of the entity. Although the board does not see any impact to the employees or apprentices, it is currently uncertain as to the future structure of the business and consequently its future funding streams. At the time of approval of these financial statements, the board considers that the going concern basis of accounting remains appropriate and therefore continue to prepare these financial statements on such basis. However given the inherent uncertainty over the current position and its potential impact on funding and delivery of training beyond July 2025, there is acknowledgement that the longer term future of the entity is in question.

PLANS FOR FUTURE PERIODS

The company will continue to effectively manage external changes and challenging targets contained within the core objectives agreed each year, effectively capitalise on future growth opportunities and enhance quality delivery. The company is in the early stages of considering a form of partnership with other companies to improve the levels of training.

The charity will continue to focus on achieving its core objectives to:

- Continue to meet ESFA contractual obligations and maintain EAL and Pearson assessment centre status.
- Improve the quality of learning underpinned by effective training officer CPD.
- Focus on sustaining an improvement apprenticeship completion rate.
- Continue to be active in seeking to increase the number of apprenticeships and new employers through proactive business development supported with quality candidate attraction.
- Ensuring the curriculum design and delivery meets or exceeds both employer and apprentice needs and expectations.

The achievement of Tyne North Training's strategic objectives will seek to safeguard effective, high quality subcontracted delivery and embed a proactive account management system across all business functions.

Management are in the process of assessing the current ownership, board and management structure of the charitable company. They are exploring ways to continue to meet the charitable objectives while ensuring the operations of the charity can continue for the medium to long term future. See the going concern seection of the trustees report and note 1.3 in the accounting policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The charity is a charitable company limited by guarantee. It is governed by a Memorandum and Articles of Association.

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Organisational Structure and Trustee Induction Process
Prospective trustees are nominated from member companies and elected onto the Board. Prior to election, wherever possible, prospective trustees attend 'Executive Committee' meetings, in an ex-officio capacity, to familiarise themselves with the workings of the charity. They are also provided with a copy of the Memorandum and Articles of Association; the Charity Commission's 'The Essential Trustee: What you need to know'; and the current Self-Assessment Report, Strategic and Operational Business Objectives and Quality Improvement Plan.

Members eligible for election must be an ordinary or representative member. An ordinary member is any person being an individual or corporate body who carries on business in the engineering industry or commerce.
A representative member is a person nominated by the company, either a partnership or other unincorporated body which carries on business in the engineering industry or commerce.

Excluding the Chairman, the number of trustees must not exceed six nor be less than two. No external body or person is entitled to appoint a trustee to Tyne North Training Limited.

The induction includes a meeting with a member of the key management personnel during which any queries relating to the governance, structure or management of the charity and its aims and objectives would be addressed.

The trustees make strategic and policy decisions on behalf of the business and agree strategic and operational objectives with key management personnel. Financial expenditure is authorised by two signatories required, including the chairman.

Implementing the strategic and operational objectives and the day to day running of the company is delegated to the key management personnel.

O**ganisation structure**

Until September 2024, the executive committee provided delegated authority to the Chief Executive Officer, who in turn lead the employees to operate the businesa and set the strategic direction. As noted in the Reference and administrative details section of the report, the Chief Executive Officer resigned on 30 September 2024. Since then, the Chair has taken on the role of the Chief Executive Officer until the future of the ownership, board, management structure is finalised.

Pay policy for senior staff
The trustees and senior management team represent the key management of the charity with the trustees being responsible for strategy and directing the charity and the senior management team having responsibility for controlling and operating the charity on a day to day basis. All trustees give their time freely throughout the year without receiving any form of financial remuneration.

The pay of senior staff is reviewed annually by the board of Tyne North Training.

Risk Management
The trustees have identified the following as major risks to which the charity is exposed: the loss or withdrawal of ESFA contracts; the removal of the charity from the ESFA Register of Apprenticeship Training Providers (RoATP) list; an inadequate Ofsted inspection; inadequate financial ESFA health grade leading to ESFA intervention; continual alignment to ESFA subcontracting rules and regulations and the successful retention of the subcontracting cap exemption status; and/or the loss of approval as an assessment centre for EAL and/or Pearson, all of which would render the business unable to deliver engineering manufacturing and business & administration apprenticeships.

The charity has put in place a number of policies, systems and procedures to mitigate these risks to ensure the quality and financial performance of the organisation does not give cause or concern for loss or withdrawal of these ESFA contracts; RoATP and/or approval centre status, as follows:
- Internal quality system designed in accordance with ESFA, Ofsted, EAL and Pearson requirements;
- Board approved strategic and operational business objectives;

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- A sound financial base, exercising financial probity with a minimum financial 'satisfactory' rating from the ESFA;
- Performance figures and success rates consistently above national averages;
- Expert, highly qualified and committed staff who regularly undertake training and CPD activities;
- Continuous, close monitoring of ESFA funding rule changes, contractual requirements and minimum level performance criteria along with the need to continually align its operations to Ofsted, EIF requirements; and
- Ensuring reports are consistent and favourable from EAL external verifier and Pearson standards verifier audits

Additional to the above there are always competitive risks and pressures from other training providers as government funding, apprentice funding rate and the apprenticeship policy is continuously redefined within a financially and operationally competitive environment.

The company manages an effective working relationship with the local college, facilitated by contracts for service delivery and continues to recruit and retain a high number of apprentices whilst achieving completion rates in excess of National averages, all of which contribute towards mitigating risk.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Tyne North Training Limited for the purpose of company law) are responsible for preparing the Trustee's Annual 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company 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 2015 (FRS 102)
- 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 financial statements on a 'going concern' basis, unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:
- there is no relevant audit information of which the charitable company'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 charitable company's auditor is aware of that information.

Approved by order of the members of the board of trustees on 14 November 2024 and signed on their behalf by:

Signed by:

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T I Selkirk
Chairman

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Independent auditor's report to the Members of Tyne North Training Limited

Opinion

We have audited the financial statements of Tyne North Training Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates uncertainty over the future operations of the charitable company as a result of ongoing board discussions around the ownership and management structure of the entity, which may impact future funding. As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from the date of this report. Our opinion is not modified in respect of this matter.

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

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

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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 trustees are responsible for the other information contained within the annual report. 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding, environmental law and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

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.

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

Use of our report

This report is made solely to the charitable company's trustees, 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

14 November 2024

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Tyne North Training Limited

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 July 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	2	**1,681,311**	**1,681,311**	1,726,127
Other trading activities		**-**	**-**	4,194
Investments	3	**16,055**	**16,055**	10,904
Total income		**1,697,366**	**1,697,366**	1,741,225
Expenditure on:				
Investment management costs		**6,185**	**6,185**	6,576
Charitable activities	4	**2,058,798**	**2,058,798**	1,641,751
Total expenditure		**2,064,983**	**2,064,983**	1,648,327
Net (expenditure)/income before net losses on investments		**(367,617)**	**(367,617)**	92,898
Net losses on investments		**(6,579)**	**(6,579)**	(47,093)
Net movement in funds		**(374,196)**	**(374,196)**	45,805
Reconciliation of funds:				
Total funds brought forward		**1,451,100**	**1,451,100**	1,405,295
Net movement in funds		**(374,196)**	**(374,196)**	45,805
Total funds carried forward		**1,076,904**	**1,076,904**	1,451,100

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

The notes on pages 17 to 28 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Balance sheet
At 31 July 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	7		**348,796**		358,296
Investments	8		**635,363**		636,340
			984,159		994,636
Current assets					
Debtors	9	**194,677**		190,906	
Cash at bank and in hand		**727,810**		451,037	
		922,487		641,943	
Creditors: amounts falling due within one year	10	**(829,742)**		(185,479)	
Net current assets			**92,745**		456,464
Total assets less current liabilities			**1,076,904**		1,451,100
Total net assets			**1,076,904**		1,451,100
Charity funds					
Unrestricted funds	11		**1,076,904**		1,451,100
Total funds			**1,076,904**		1,451,100

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 14 November 2024 and signed on their behalf by:

Signed by:

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T T Selkirk
Chairman

Company registered number: 00992831

The notes on pages 17 to 28 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Statement of cash flows
Year ended 31 July 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	**266,320**	(266,430)
Cash flows from investing activities		
Interest and dividends received	**16,055**	10,904
Purchase of tangible fixed assets	**-**	(1,660)
Proceeds from sale of investments	**46,172**	94,901
Purchase of investments	**(51,774)**	(87,837)
Net cash provided by investing activities	**10,453**	**16,308**
Change in cash and cash equivalents in the year	**276,773**	**(250,122)**
Cash and cash equivalents at the beginning of the year	**451,037**	701,159
Cash and cash equivalents at the end of the year	**727,810**	451,037

The notes on pages 17 to 28 form part of these financial statements

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1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Tyne North Training Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are preparedunder the historical cost convention, are presented in pounds sterling and rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in United Kingdom and registered in England and Wales. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £20 per member of the company.

1.3 Going concern

The company has financial reserves held in cash, investments and fixed assets. The company has strong free reserves (unrestricted reserves not tied up in tangible fixed assets) of £728,108. As a consequence, the trustees believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The board are in ongoing discussions over the future ownership and management structure of the entity. Although the board does not see any impact to the employees or apprentices, it is currently uncertain as to the future structure of the business and consequently its future funding streams. At the time of approval of these financial statements, the board considers that the going concern basis of accounting remains appropriate and therefore continue to prepare these financial statements on such basis. However given the inherent uncertainty over the current position and its potential impact on funding and delivery of training beyond July 2025, there is acknowledgement that the longer term future of the entity is in question.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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1. Accounting policies (continued)

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. 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years
Office equipment	-	15% straight-line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Employee benefits

Short-term benefits
Short-term benefits, including other non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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2. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Education and Skills Funding Agency	1,652,249	**1,652,249**
Employer contributions	29,062	**29,062**
	1,681,311	**1,681,311**

	Unrestricted funds 2022 £	Total funds 2022 £
Education and Skills Funding Agency	1,692,479	1,692,479
Employer contributions	26,616	26,616
Workforce development	7,032	7,032
	1,726,127	1,726,127

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from investments	14,622	**14,622**
Interest receivable	1,433	**1,433**
	16,055	**16,055**

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3. Investment income (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Income from investments	10,877	10,877
Interest receivable	27	27
	10,904	10,904

4. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Charitable activities	1,483,690	575,108	**2,058,798**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	1,390,273	251,478	1,641,751

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4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**384,814**	42,471
Premises expenses	**31,344**	31,481
Office costs	**36,766**	28,615
Motor costs	**49,714**	49,725
Bank charges	**152**	1,599
Subscriptions and professional fees (including auditors' remuneration)	**49,088**	62,891
Sundry costs	**10,680**	17,255
Depreciation	**9,500**	11,318
Equipment costs and repairs	**3,050**	6,123
	575,108	251,478

5. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £11,000 (2022: £6,500), and bookeeping services of £10,800 (2022: £7,258).

6. Staff costs

	2023 £	2022 £
Wages and salaries	**970,355**	680,168
Social security costs	**116,790**	80,621
Pension costs	**132,321**	118,303
	1,219,466	879,092

The average number of persons employed by the company during the year was as follows:

	2023 No.	2022 No.
Charitable activities	**14**	17

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6. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £100,001 - £110,000	**-**	1
In the band £420,001 - £430,000	**1**	-

No expenses were reimbursed to any trustees during the year (2022: £nil). No trustees received any remuneration.

The key management personnel of the charity comprise the senior management team (as listed on page 1), with total employee benefits (including pension costs) of £607,979 (2022: £297,874).

During the year, the company reached a settlement agreement with the Chief Executive Officer totalling £323,269. This amount was split between a payment to the individual of £263,269 and a payment to their pension fund of £60,000. The settlement was to agree early termination of their employment contract. The agreement was reached in May 2023 and paid post year end. In accordance with the chosen accounting policies, the settlement expense has been recognised in May 2023, being the date the obligation to pay the settlement arose. The balance is carried as a liability at 31 July 2023, included within accruals and deferred income. The charity continues to have sufficient unrestricted reserves to fund the settlement payment and continue to fund operations at the balance sheet date.

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7. Tangible fixed assets

	Freehold property £	Office equipment £	Total £
Cost			
At 1 August 2022	**400,000**	**184,816**	**584,816**
At 31 July 2023	**400,000**	**184,816**	**584,816**
Depreciation			
At 1 August 2022	**43,204**	**183,316**	**226,520**
Charge for the year	**8,000**	**1,500**	**9,500**
At 31 July 2023	**51,204**	**184,816**	**236,020**
Net book value			
At 31 July 2023	**348,796**	**-**	**348,796**
At 31 July 2022	356,796	1,500	358,296

8. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 August 2022	**636,340**
Additions	**51,774**
Disposals	**(46,977)**
Revaluations	**(5,774)**
At 31 July 2023	**635,363**
Net book value	
At 31 July 2023	**635,363**
At 31 July 2022	636,340

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9. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	**148,528**	156,071
Other debtors	**5,000**	500
Prepayments and accrued income	**41,149**	34,335
	194,677	190,906

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**344,902**	141,331
Other taxation and social security	**35,549**	11,845
Other creditors	**6,500**	7,000
Accruals and deferred income	**442,791**	25,303
	829,742	185,479

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11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
Unrestricted funds					
Designated funds					
Property Fund	**356,796**	**-**	**(8,000)**	**-**	**348,796**
General funds					
General Funds	**1,094,304**	**1,697,366**	**(2,056,983)**	**(6,579)**	**728,108**
Total Unrestricted funds	**1,451,100**	**1,697,366**	**(2,064,983)**	**(6,579)**	**1,076,904**

The designated property fund has a balance equal to the net book value of the freehold property which enables the non-liquid reserves to be easily identifiable.

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11. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds					
Designated funds					
Property Fund	364,796	-	(8,000)	-	356,796
General funds					
General Funds	1,040,499	1,741,225	(1,640,327)	(47,093)	1,094,304
Total Unrestricted funds	1,405,295	1,741,225	(1,648,327)	(47,093)	1,451,100

12. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**(374,196)**	45,805
Adjustments for:		
Depreciation charges	**9,500**	11,440
Losses/(gains) on investments	**6,579**	47,093
Dividends, interests and rents from investments	**(16,055)**	(10,904)
(Increase)/decrease in debtors	**(3,771)**	2,399
Increase/(decrease) in creditors	**644,263**	(362,263)
Net cash provided by/(used in) operating activities	**266,320**	(266,430)

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13. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	**727,810**	451,037

14. Analysis of changes in net debt

	At 1 August 2022	Cash flows	At 31 July 2023
	£	**£**	**£**
Cash at bank and in hand	**451,037**	**276,773**	**727,810**

15. Pension commitments

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company which amounted to £192,321 (2022: £118,303).

16. Operating lease commitments

At 31 July 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	**27,763**	39,568
Later than 1 year and not later than 5 years	**-**	26,717
	27,763	66,285

17. Related party transactions

The company has entered into a settlement agreement totaling £323,269 to the Chief Executive Officer in the year. The full amount was owing at 31 July 2023. See note 6 for further information.

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Registered number: 00992831
Charity number: 502259

Tyne North Training Limited

(A company limited by guarantee)

Annual report

Year ended 31 July 2023

Docusign Envelope ID: 7DC867FF-F4DE-4CE9-A73C-8D5C755EFC2A

Tyne North Training Limited

(A company limited by guarantee)

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Tyne North Training Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 July 2023

Trustees

T I Selkirk, Chairman
C Pratt, Vice Chairman
S Armstrong
G Longstaff (appointed 8 October 2024)

Key management personnel

Michael Needham, Chief Executive Officer (resigned 30 September 2024)
Geoff Moore, Quality Manager

Company registered number

00992831

Charity registered number

502259

Registered office

Embleton Avenue
Wallsend
Newcastle upon Tyne
Tyne and Wear
NE28 9NJ

Company secretary

Michael Needham (resigned 30 September 2024)

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Barclays Bank Plc
49/51 Northumberland Street
Newcastle upon Tyne
Tyne and Wear
NE1 7AF

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Solicitors

Hay & Kilner
Helix, The Lumen
St James' Boulevard
Newcastle upon Tyne
NE4 5BZ

Investment managers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

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Tyne North Training Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 July 2023

The trustees, who act as directors for the purposes of company law, are pleased to present their annual report together with the financial statements for the year ended 31 July 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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.

OBJECTIVES AND ACTIVITIES

The charity's objects are specific towards the advancement of learning and education for the public benefit of persons employed or intending to be employed in industry and commerce.

Core Business Objectives

- Maintain apprenticeship recruitment levels and the number of new employers
- Maintain or improve overall apprenticeship completion rates
- Achieve a financial operational surplus
- Continually enhance the quality of learning delivery

The overall aim of Tyne North Training Limited remains to increase the skills, knowledge and understanding of those involved in engineering and business-related activities and to deliver high quality services to an increasing number of apprentices and employers within the region.

Contracts with the Education and Skills Funding Agency (ESFA) and employers provide the charity with funding to deliver accredited advanced apprenticeship standards within the engineering manufacturing and business sectors benefitting young people, the majority of which begin their apprenticeships between the ages of 16-18 years old. The total number of apprentices on-programme during 2022 – 2023 was 396 (2021 – 2022: 428).

The policy of the trustees continues to be to utilise charity reserves to support business growth and manage risk with any additional surpluses used to enhance the skills and learning of existing apprentices; support employer engagement; design and implement business model changes in response to ESFA funding rule changes; and be available as contingency funding in the event of apprentices being made redundant and/or the loss of government funded contracts.

The main activities of the charity are to:

- Deliver high quality, sustainable engineering manufacturing and business administration apprenticeships;
- Continue to align business operations to ESFA funding rules and regulations;
- Finance, plan, resource, implement, and manage business change projects in response to market opportunities and to mitigate charity risk;
- Maximise the availability of high quality apprenticeship candidates;
- Drive and sustain employer engagement and business development activities; and
- Deliver support to apprentices made redundant and identify alternative apprenticeship employment opportunities for the continuation of the apprenticeship

The charities main activities and funding levels are reviewed on an annual basis by the trustees. Grant making is not a material part of the charity's activities.

Public Benefit

Tyne North Training Limited offer a wide range of advanced apprenticeships within the local engineering manufacturing and business sectors, as well as delivering functional skills to relevant apprentices.

We are committed to delivering a high level of quality which will ensure all users of our service are completely satisfied and have the opportunity to make comments, suggestions and complaints if necessary. Our service provides information, advice and guidance to support young people in making appropriate apprenticeship decisions, whilst helping companies understand and comply with apprenticeship standards; commercial contractual arrangements and the apprenticeship levy system.

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We support all our apprentices, many from disadvantaged backgrounds, to achieve their full potential successfully progressing them through a level 3 apprenticeship whilst providing encouragement and further support onto higher education courses. Tyne North Training also facilitates the smooth transition from one employer to another for apprentices facing the prospect of redundancy.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Quality Control

Achievements of the charity are assessed internally and externally, both qualitatively and quantifiably. Internal assessment is against company operating procedures contained within our continually updated quality management system, along with yearly performance management against business objectives. External assessments are through Ofsted assessing apprenticeship delivery against the Education Inspection Framework (EIF); ESFA Provider Financial Assurance Teams assessing performance against contractual funding requirements and performance management against contractual obligations and national quality measures. The charity has continually maintained its Ofsted Good inspection status, the most recent being March 2020, demonstrating high standards of delivery, highlighting overall Leadership and Management as a particular strength.

The charity achieved its core apprenticeship completion objective by matching the low target set for unsuccessful apprenticeship completions specific to both engineering and business administration. The overall qualification achievement rate (QAR) for apprenticeships was 70.3% (2022: 66.4%). This is an improvement on the previous year's results from those apprentices whose progression was impacted and delayed with COVID successfully completing their apprenticeships. We did not achieve the core objective for apprenticeship recruitment targets which was mainly due to a fall in the number of suitable candidates applying for an apprenticeship combined with lower-than-expected employer demand for new apprentices.

Both strategic objectives were achieved. The human resource's objective was to recruit and train human resources to meet functional and business requirements. This was achieved by recruiting new staff and supporting them to become effective additions to the organisation to replace those who departed during the financial year. The second objective was to minimise external risks and ensure high levels of compliance through enhanced process standardisation. This was achieved by focusing on three key areas of compliance and introducing operational an audit processes to ensure compliance with the ESFA funding rules applicable to those three key areas.

The ESFA subcontracting funding rules prohibits any more than 25% of a main providers apprenticeship funding being subcontracted. This requires Tyne North Training to secure and maintain its contractor cap exemption status, which was in place for 2022/23, and a successful application has already been granted for the forthcoming year 2023/24.

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Staff Matters

After the loss of employees during 2022, staffing levels have stabilised with the company continuing to promote a good working relationship with personnel. Despite the strain, staff have continued to work well, completing all the required procedures and keeping sufficient and appropriate records to allow the company to maintain its high standards.

As disclosed in note 9, during the year the company reached a settlement agreement with the Chief Executive Officer. The settlement was to agree early termination of their employment contract. The agreement was reached in May 2023. Subsequent to the settlement agreement, the Chief Executive Officer stayed on under a new, short term employment contract to ensure a smooth transition.

External Factors Impacting Achievement

The main external factors effecting the achievement of business objectives during 2022 - 2023 were:

- Excessive workload of staff for those learners due for completion in 2022/23 backed up from those learners with completion dates from 2021/22 who were impacted by the coronavirus pandemic;
- Timely completion of subcontracted delivery of qualifications enabling learners to proceed to End Point Assessment;
- The introduction of the new level 3 Machining Technician Standard. Extensive work undertaken by relevant staff to develop an appropriate deliverable programme; and
- Extensive management resource required to recruit and train incoming staff to replace those who had departed the business. These areas were specifically centred around engineering operations, administration and apprenticeship recruitment.

FINANCIAL REVIEW

Investment Policy

The investment policy of the trustees remains one of caution and with continuing cost rises across the board, close monitoring to ensure it achieves the best return is required. An initial £600,000 was invested with two investment managers during July 2018 which during 2022-23 returned a net unrealised loss of £6,579 (2021-22: £47,093 loss).

Financial Performance

Income has decreased to £1,697,366 (2022: £1,741,225), the key movements being a reduction in learners that result in less funding from the ESFA offset by Investment income increasing due to the interest rates. The charitable activities expenditure has increased significantly to £2,058,798 (2022: £1,641,751) largely as a result if the settlement agreement payable to the former CEO (see staff matters section above). The charitable company achieved a deficit of £374,196 (2022: surplus of £45,805) on unrestricted funds, including a loss on investments.

Reserves Policy

The level of unrestricted reserves at 31 July 2023 is £1,076,904. Charity reserves are held for a number of important reasons:

1. Fund business development and growth to remain competitive and to offer the charities services to a wider business community;
2. Support apprentices made redundant to continue to complete their apprenticeships with alternative employers;
3. Enable the charity to discharge all its commitments to existing apprentices and companies should government funding diminish or cease; and
4. Fund necessary activities to minimise risk to the charities ability to operate as a going concern.

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A designated capital fund of £348,796 was held at 31 July 2023 which is equal to the net book value of the property. The free reserves held at 31 July 2023 was £728,801.

Principle Funding Sources

Principle funding sources and associated activities during 2022-23:

- ESFA – 100% government funding up to the apprenticeship standard funding cap for 16-18 apprentices to cover training costs when employed within a small company employing less than 50 employees with a payroll of less than £3 million, however there is a 5% employer funding contribution should they recruit a 19+ apprentice; 95% funding from the ESFA and 5% funding cost for an employer recruiting an apprentice who employs more than 50 employees but has a payroll of less than £3 million;
- Employers – large companies who employ more than 50 employees with a payroll in excess of £3 million fund Tyne North Training apprenticeships direct through their employer levy accounts; and
- Commercial income, investment income and interest – a small proportion of income is generated through the delivery of NVQs to existing adult employees working within apprenticeship employing companies, plus investment income held by two investment managers and interest received on reserves held.

Going Concern

The board are in ongoing discussions over the future ownership and management structure of the entity. Although the board does not see any impact to the employees or apprentices, it is currently uncertain as to the future structure of the business and consequently its future funding streams. At the time of approval of these financial statements, the board considers that the going concern basis of accounting remains appropriate and therefore continue to prepare these financial statements on such basis. However given the inherent uncertainty over the current position and its potential impact on funding and delivery of training beyond July 2025, there is acknowledgement that the longer term future of the entity is in question.

PLANS FOR FUTURE PERIODS

The company will continue to effectively manage external changes and challenging targets contained within the core objectives agreed each year, effectively capitalise on future growth opportunities and enhance quality delivery. The company is in the early stages of considering a form of partnership with other companies to improve the levels of training.

The charity will continue to focus on achieving its core objectives to:

- Continue to meet ESFA contractual obligations and maintain EAL and Pearson assessment centre status.
- Improve the quality of learning underpinned by effective training officer CPD.
- Focus on sustaining an improvement apprenticeship completion rate.
- Continue to be active in seeking to increase the number of apprenticeships and new employers through proactive business development supported with quality candidate attraction.
- Ensuring the curriculum design and delivery meets or exceeds both employer and apprentice needs and expectations.

The achievement of Tyne North Training's strategic objectives will seek to safeguard effective, high quality subcontracted delivery and embed a proactive account management system across all business functions.

Management are in the process of assessing the current ownership, board and management structure of the charitable company. They are exploring ways to continue to meet the charitable objectives while ensuring the operations of the charity can continue for the medium to long term future. See the going concern seection of the trustees report and note 1.3 in the accounting policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The charity is a charitable company limited by guarantee. It is governed by a Memorandum and Articles of Association.

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Organisational Structure and Trustee Induction Process
Prospective trustees are nominated from member companies and elected onto the Board. Prior to election, wherever possible, prospective trustees attend 'Executive Committee' meetings, in an ex-officio capacity, to familiarise themselves with the workings of the charity. They are also provided with a copy of the Memorandum and Articles of Association; the Charity Commission's 'The Essential Trustee: What you need to know'; and the current Self-Assessment Report, Strategic and Operational Business Objectives and Quality Improvement Plan.

Members eligible for election must be an ordinary or representative member. An ordinary member is any person being an individual or corporate body who carries on business in the engineering industry or commerce.
A representative member is a person nominated by the company, either a partnership or other unincorporated body which carries on business in the engineering industry or commerce.

Excluding the Chairman, the number of trustees must not exceed six nor be less than two. No external body or person is entitled to appoint a trustee to Tyne North Training Limited.

The induction includes a meeting with a member of the key management personnel during which any queries relating to the governance, structure or management of the charity and its aims and objectives would be addressed.

The trustees make strategic and policy decisions on behalf of the business and agree strategic and operational objectives with key management personnel. Financial expenditure is authorised by two signatories required, including the chairman.

Implementing the strategic and operational objectives and the day to day running of the company is delegated to the key management personnel.

O**ganisation structure**

Until September 2024, the executive committee provided delegated authority to the Chief Executive Officer, who in turn lead the employees to operate the businesa and set the strategic direction. As noted in the Reference and administrative details section of the report, the Chief Executive Officer resigned on 30 September 2024. Since then, the Chair has taken on the role of the Chief Executive Officer until the future of the ownership, board, management structure is finalised.

Pay policy for senior staff
The trustees and senior management team represent the key management of the charity with the trustees being responsible for strategy and directing the charity and the senior management team having responsibility for controlling and operating the charity on a day to day basis. All trustees give their time freely throughout the year without receiving any form of financial remuneration.

The pay of senior staff is reviewed annually by the board of Tyne North Training.

Risk Management
The trustees have identified the following as major risks to which the charity is exposed: the loss or withdrawal of ESFA contracts; the removal of the charity from the ESFA Register of Apprenticeship Training Providers (RoATP) list; an inadequate Ofsted inspection; inadequate financial ESFA health grade leading to ESFA intervention; continual alignment to ESFA subcontracting rules and regulations and the successful retention of the subcontracting cap exemption status; and/or the loss of approval as an assessment centre for EAL and/or Pearson, all of which would render the business unable to deliver engineering manufacturing and business & administration apprenticeships.

The charity has put in place a number of policies, systems and procedures to mitigate these risks to ensure the quality and financial performance of the organisation does not give cause or concern for loss or withdrawal of these ESFA contracts; RoATP and/or approval centre status, as follows:
- Internal quality system designed in accordance with ESFA, Ofsted, EAL and Pearson requirements;
- Board approved strategic and operational business objectives;

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- A sound financial base, exercising financial probity with a minimum financial 'satisfactory' rating from the ESFA;
- Performance figures and success rates consistently above national averages;
- Expert, highly qualified and committed staff who regularly undertake training and CPD activities;
- Continuous, close monitoring of ESFA funding rule changes, contractual requirements and minimum level performance criteria along with the need to continually align its operations to Ofsted, EIF requirements; and
- Ensuring reports are consistent and favourable from EAL external verifier and Pearson standards verifier audits

Additional to the above there are always competitive risks and pressures from other training providers as government funding, apprentice funding rate and the apprenticeship policy is continuously redefined within a financially and operationally competitive environment.

The company manages an effective working relationship with the local college, facilitated by contracts for service delivery and continues to recruit and retain a high number of apprentices whilst achieving completion rates in excess of National averages, all of which contribute towards mitigating risk.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Tyne North Training Limited for the purpose of company law) are responsible for preparing the Trustee's Annual 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company 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 2015 (FRS 102)
- 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 financial statements on a 'going concern' basis, unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:
- there is no relevant audit information of which the charitable company'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 charitable company's auditor is aware of that information.

Approved by order of the members of the board of trustees on 14 November 2024 and signed on their behalf by:

Signed by:

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T I Selkirk
Chairman

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Independent auditor's report to the Members of Tyne North Training Limited

Opinion

We have audited the financial statements of Tyne North Training Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates uncertainty over the future operations of the charitable company as a result of ongoing board discussions around the ownership and management structure of the entity, which may impact future funding. As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from the date of this report. Our opinion is not modified in respect of this matter.

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

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

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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 trustees are responsible for the other information contained within the annual report. 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding, environmental law and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

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.

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

Use of our report

This report is made solely to the charitable company's trustees, 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

14 November 2024

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Tyne North Training Limited

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 July 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	2	**1,681,311**	**1,681,311**	1,726,127
Other trading activities		**-**	**-**	4,194
Investments	3	**16,055**	**16,055**	10,904
Total income		**1,697,366**	**1,697,366**	1,741,225
Expenditure on:				
Investment management costs		**6,185**	**6,185**	6,576
Charitable activities	4	**2,058,798**	**2,058,798**	1,641,751
Total expenditure		**2,064,983**	**2,064,983**	1,648,327
Net (expenditure)/income before net losses on investments		**(367,617)**	**(367,617)**	92,898
Net losses on investments		**(6,579)**	**(6,579)**	(47,093)
Net movement in funds		**(374,196)**	**(374,196)**	45,805
Reconciliation of funds:				
Total funds brought forward		**1,451,100**	**1,451,100**	1,405,295
Net movement in funds		**(374,196)**	**(374,196)**	45,805
Total funds carried forward		**1,076,904**	**1,076,904**	1,451,100

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

The notes on pages 17 to 28 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Balance sheet
At 31 July 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	7		**348,796**		358,296
Investments	8		**635,363**		636,340
			984,159		994,636
Current assets					
Debtors	9	**194,677**		190,906	
Cash at bank and in hand		**727,810**		451,037	
		922,487		641,943	
Creditors: amounts falling due within one year	10	**(829,742)**		(185,479)	
Net current assets			**92,745**		456,464
Total assets less current liabilities			**1,076,904**		1,451,100
Total net assets			**1,076,904**		1,451,100
Charity funds					
Unrestricted funds	11		**1,076,904**		1,451,100
Total funds			**1,076,904**		1,451,100

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 14 November 2024 and signed on their behalf by:

Signed by:

0C9286F6BAAD4C9...

T T Selkirk
Chairman

Company registered number: 00992831

The notes on pages 17 to 28 form part of these financial statements.

Docusign Envelope ID: 7DC867FF-F4DE-4CE9-A73C-8D5C755EFC2A

Tyne North Training Limited

(A company limited by guarantee)

Statement of cash flows
Year ended 31 July 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	**266,320**	(266,430)
Cash flows from investing activities		
Interest and dividends received	**16,055**	10,904
Purchase of tangible fixed assets	**-**	(1,660)
Proceeds from sale of investments	**46,172**	94,901
Purchase of investments	**(51,774)**	(87,837)
Net cash provided by investing activities	**10,453**	**16,308**
Change in cash and cash equivalents in the year	**276,773**	**(250,122)**
Cash and cash equivalents at the beginning of the year	**451,037**	701,159
Cash and cash equivalents at the end of the year	**727,810**	451,037

The notes on pages 17 to 28 form part of these financial statements

Docusign Envelope ID: 7DC867FF-F4DE-4CE9-A73C-8D5C755EFC2A

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Tyne North Training Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are preparedunder the historical cost convention, are presented in pounds sterling and rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in United Kingdom and registered in England and Wales. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £20 per member of the company.

1.3 Going concern

The company has financial reserves held in cash, investments and fixed assets. The company has strong free reserves (unrestricted reserves not tied up in tangible fixed assets) of £728,108. As a consequence, the trustees believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The board are in ongoing discussions over the future ownership and management structure of the entity. Although the board does not see any impact to the employees or apprentices, it is currently uncertain as to the future structure of the business and consequently its future funding streams. At the time of approval of these financial statements, the board considers that the going concern basis of accounting remains appropriate and therefore continue to prepare these financial statements on such basis. However given the inherent uncertainty over the current position and its potential impact on funding and delivery of training beyond July 2025, there is acknowledgement that the longer term future of the entity is in question.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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1. Accounting policies (continued)

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. 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years
Office equipment	-	15% straight-line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Employee benefits

Short-term benefits
Short-term benefits, including other non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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2. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Education and Skills Funding Agency	1,652,249	**1,652,249**
Employer contributions	29,062	**29,062**
	1,681,311	**1,681,311**

	Unrestricted funds 2022 £	Total funds 2022 £
Education and Skills Funding Agency	1,692,479	1,692,479
Employer contributions	26,616	26,616
Workforce development	7,032	7,032
	1,726,127	1,726,127

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from investments	14,622	**14,622**
Interest receivable	1,433	**1,433**
	16,055	**16,055**

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3. Investment income (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Income from investments	10,877	10,877
Interest receivable	27	27
	10,904	10,904

4. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Charitable activities	1,483,690	575,108	**2,058,798**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	1,390,273	251,478	1,641,751

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4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**384,814**	42,471
Premises expenses	**31,344**	31,481
Office costs	**36,766**	28,615
Motor costs	**49,714**	49,725
Bank charges	**152**	1,599
Subscriptions and professional fees (including auditors' remuneration)	**49,088**	62,891
Sundry costs	**10,680**	17,255
Depreciation	**9,500**	11,318
Equipment costs and repairs	**3,050**	6,123
	575,108	251,478

5. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £11,000 (2022: £6,500), and bookeeping services of £10,800 (2022: £7,258).

6. Staff costs

	2023 £	2022 £
Wages and salaries	**970,355**	680,168
Social security costs	**116,790**	80,621
Pension costs	**132,321**	118,303
	1,219,466	879,092

The average number of persons employed by the company during the year was as follows:

	2023 No.	2022 No.
Charitable activities	**14**	17

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6. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £100,001 - £110,000	**-**	1
In the band £420,001 - £430,000	**1**	-

No expenses were reimbursed to any trustees during the year (2022: £nil). No trustees received any remuneration.

The key management personnel of the charity comprise the senior management team (as listed on page 1), with total employee benefits (including pension costs) of £607,979 (2022: £297,874).

During the year, the company reached a settlement agreement with the Chief Executive Officer totalling £323,269. This amount was split between a payment to the individual of £263,269 and a payment to their pension fund of £60,000. The settlement was to agree early termination of their employment contract. The agreement was reached in May 2023 and paid post year end. In accordance with the chosen accounting policies, the settlement expense has been recognised in May 2023, being the date the obligation to pay the settlement arose. The balance is carried as a liability at 31 July 2023, included within accruals and deferred income. The charity continues to have sufficient unrestricted reserves to fund the settlement payment and continue to fund operations at the balance sheet date.

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7. Tangible fixed assets

	Freehold property £	Office equipment £	Total £
Cost			
At 1 August 2022	**400,000**	**184,816**	**584,816**
At 31 July 2023	**400,000**	**184,816**	**584,816**
Depreciation			
At 1 August 2022	**43,204**	**183,316**	**226,520**
Charge for the year	**8,000**	**1,500**	**9,500**
At 31 July 2023	**51,204**	**184,816**	**236,020**
Net book value			
At 31 July 2023	**348,796**	**-**	**348,796**
At 31 July 2022	356,796	1,500	358,296

8. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 August 2022	**636,340**
Additions	**51,774**
Disposals	**(46,977)**
Revaluations	**(5,774)**
At 31 July 2023	**635,363**
Net book value	
At 31 July 2023	**635,363**
At 31 July 2022	636,340

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9. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	**148,528**	156,071
Other debtors	**5,000**	500
Prepayments and accrued income	**41,149**	34,335
	194,677	190,906

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**344,902**	141,331
Other taxation and social security	**35,549**	11,845
Other creditors	**6,500**	7,000
Accruals and deferred income	**442,791**	25,303
	829,742	185,479

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11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
Unrestricted funds					
Designated funds					
Property Fund	**356,796**	**-**	**(8,000)**	**-**	**348,796**
General funds					
General Funds	**1,094,304**	**1,697,366**	**(2,056,983)**	**(6,579)**	**728,108**
Total Unrestricted funds	**1,451,100**	**1,697,366**	**(2,064,983)**	**(6,579)**	**1,076,904**

The designated property fund has a balance equal to the net book value of the freehold property which enables the non-liquid reserves to be easily identifiable.

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11. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds					
Designated funds					
Property Fund	364,796	-	(8,000)	-	356,796
General funds					
General Funds	1,040,499	1,741,225	(1,640,327)	(47,093)	1,094,304
Total Unrestricted funds	1,405,295	1,741,225	(1,648,327)	(47,093)	1,451,100

12. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**(374,196)**	45,805
Adjustments for:		
Depreciation charges	**9,500**	11,440
Losses/(gains) on investments	**6,579**	47,093
Dividends, interests and rents from investments	**(16,055)**	(10,904)
(Increase)/decrease in debtors	**(3,771)**	2,399
Increase/(decrease) in creditors	**644,263**	(362,263)
Net cash provided by/(used in) operating activities	**266,320**	(266,430)

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13. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	**727,810**	451,037

14. Analysis of changes in net debt

	At 1 August 2022	Cash flows	At 31 July 2023
	£	**£**	**£**
Cash at bank and in hand	**451,037**	**276,773**	**727,810**

15. Pension commitments

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company which amounted to £192,321 (2022: £118,303).

16. Operating lease commitments

At 31 July 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	**27,763**	39,568
Later than 1 year and not later than 5 years	**-**	26,717
	27,763	66,285

17. Related party transactions

The company has entered into a settlement agreement totaling £323,269 to the Chief Executive Officer in the year. The full amount was owing at 31 July 2023. See note 6 for further information.

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Registered number: 00992831
Charity number: 502259

Tyne North Training Limited

(A company limited by guarantee)

Annual report

Year ended 31 July 2023

Docusign Envelope ID: 7DC867FF-F4DE-4CE9-A73C-8D5C755EFC2A

Tyne North Training Limited

(A company limited by guarantee)

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Tyne North Training Limited

(A company limited by guarantee)

Reference and administrative details
Year ended 31 July 2023

Trustees

T I Selkirk, Chairman
C Pratt, Vice Chairman
S Armstrong
G Longstaff (appointed 8 October 2024)

Key management personnel

Michael Needham, Chief Executive Officer (resigned 30 September 2024)
Geoff Moore, Quality Manager

Company registered number

00992831

Charity registered number

502259

Registered office

Embleton Avenue
Wallsend
Newcastle upon Tyne
Tyne and Wear
NE28 9NJ

Company secretary

Michael Needham (resigned 30 September 2024)

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Barclays Bank Plc
49/51 Northumberland Street
Newcastle upon Tyne
Tyne and Wear
NE1 7AF

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Solicitors

Hay & Kilner
Helix, The Lumen
St James' Boulevard
Newcastle upon Tyne
NE4 5BZ

Investment managers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

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Tyne North Training Limited

(A company limited by guarantee)

Trustees' report
Year ended 31 July 2023

The trustees, who act as directors for the purposes of company law, are pleased to present their annual report together with the financial statements for the year ended 31 July 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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.

OBJECTIVES AND ACTIVITIES

The charity's objects are specific towards the advancement of learning and education for the public benefit of persons employed or intending to be employed in industry and commerce.

Core Business Objectives

- Maintain apprenticeship recruitment levels and the number of new employers
- Maintain or improve overall apprenticeship completion rates
- Achieve a financial operational surplus
- Continually enhance the quality of learning delivery

The overall aim of Tyne North Training Limited remains to increase the skills, knowledge and understanding of those involved in engineering and business-related activities and to deliver high quality services to an increasing number of apprentices and employers within the region.

Contracts with the Education and Skills Funding Agency (ESFA) and employers provide the charity with funding to deliver accredited advanced apprenticeship standards within the engineering manufacturing and business sectors benefitting young people, the majority of which begin their apprenticeships between the ages of 16-18 years old. The total number of apprentices on-programme during 2022 – 2023 was 396 (2021 – 2022: 428).

The policy of the trustees continues to be to utilise charity reserves to support business growth and manage risk with any additional surpluses used to enhance the skills and learning of existing apprentices; support employer engagement; design and implement business model changes in response to ESFA funding rule changes; and be available as contingency funding in the event of apprentices being made redundant and/or the loss of government funded contracts.

The main activities of the charity are to:

- Deliver high quality, sustainable engineering manufacturing and business administration apprenticeships;
- Continue to align business operations to ESFA funding rules and regulations;
- Finance, plan, resource, implement, and manage business change projects in response to market opportunities and to mitigate charity risk;
- Maximise the availability of high quality apprenticeship candidates;
- Drive and sustain employer engagement and business development activities; and
- Deliver support to apprentices made redundant and identify alternative apprenticeship employment opportunities for the continuation of the apprenticeship

The charities main activities and funding levels are reviewed on an annual basis by the trustees. Grant making is not a material part of the charity's activities.

Public Benefit

Tyne North Training Limited offer a wide range of advanced apprenticeships within the local engineering manufacturing and business sectors, as well as delivering functional skills to relevant apprentices.

We are committed to delivering a high level of quality which will ensure all users of our service are completely satisfied and have the opportunity to make comments, suggestions and complaints if necessary. Our service provides information, advice and guidance to support young people in making appropriate apprenticeship decisions, whilst helping companies understand and comply with apprenticeship standards; commercial contractual arrangements and the apprenticeship levy system.

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We support all our apprentices, many from disadvantaged backgrounds, to achieve their full potential successfully progressing them through a level 3 apprenticeship whilst providing encouragement and further support onto higher education courses. Tyne North Training also facilitates the smooth transition from one employer to another for apprentices facing the prospect of redundancy.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Quality Control

Achievements of the charity are assessed internally and externally, both qualitatively and quantifiably. Internal assessment is against company operating procedures contained within our continually updated quality management system, along with yearly performance management against business objectives. External assessments are through Ofsted assessing apprenticeship delivery against the Education Inspection Framework (EIF); ESFA Provider Financial Assurance Teams assessing performance against contractual funding requirements and performance management against contractual obligations and national quality measures. The charity has continually maintained its Ofsted Good inspection status, the most recent being March 2020, demonstrating high standards of delivery, highlighting overall Leadership and Management as a particular strength.

The charity achieved its core apprenticeship completion objective by matching the low target set for unsuccessful apprenticeship completions specific to both engineering and business administration. The overall qualification achievement rate (QAR) for apprenticeships was 70.3% (2022: 66.4%). This is an improvement on the previous year's results from those apprentices whose progression was impacted and delayed with COVID successfully completing their apprenticeships. We did not achieve the core objective for apprenticeship recruitment targets which was mainly due to a fall in the number of suitable candidates applying for an apprenticeship combined with lower-than-expected employer demand for new apprentices.

Both strategic objectives were achieved. The human resource's objective was to recruit and train human resources to meet functional and business requirements. This was achieved by recruiting new staff and supporting them to become effective additions to the organisation to replace those who departed during the financial year. The second objective was to minimise external risks and ensure high levels of compliance through enhanced process standardisation. This was achieved by focusing on three key areas of compliance and introducing operational an audit processes to ensure compliance with the ESFA funding rules applicable to those three key areas.

The ESFA subcontracting funding rules prohibits any more than 25% of a main providers apprenticeship funding being subcontracted. This requires Tyne North Training to secure and maintain its contractor cap exemption status, which was in place for 2022/23, and a successful application has already been granted for the forthcoming year 2023/24.

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Staff Matters

After the loss of employees during 2022, staffing levels have stabilised with the company continuing to promote a good working relationship with personnel. Despite the strain, staff have continued to work well, completing all the required procedures and keeping sufficient and appropriate records to allow the company to maintain its high standards.

As disclosed in note 9, during the year the company reached a settlement agreement with the Chief Executive Officer. The settlement was to agree early termination of their employment contract. The agreement was reached in May 2023. Subsequent to the settlement agreement, the Chief Executive Officer stayed on under a new, short term employment contract to ensure a smooth transition.

External Factors Impacting Achievement

The main external factors effecting the achievement of business objectives during 2022 - 2023 were:

- Excessive workload of staff for those learners due for completion in 2022/23 backed up from those learners with completion dates from 2021/22 who were impacted by the coronavirus pandemic;
- Timely completion of subcontracted delivery of qualifications enabling learners to proceed to End Point Assessment;
- The introduction of the new level 3 Machining Technician Standard. Extensive work undertaken by relevant staff to develop an appropriate deliverable programme; and
- Extensive management resource required to recruit and train incoming staff to replace those who had departed the business. These areas were specifically centred around engineering operations, administration and apprenticeship recruitment.

FINANCIAL REVIEW

Investment Policy

The investment policy of the trustees remains one of caution and with continuing cost rises across the board, close monitoring to ensure it achieves the best return is required. An initial £600,000 was invested with two investment managers during July 2018 which during 2022-23 returned a net unrealised loss of £6,579 (2021-22: £47,093 loss).

Financial Performance

Income has decreased to £1,697,366 (2022: £1,741,225), the key movements being a reduction in learners that result in less funding from the ESFA offset by Investment income increasing due to the interest rates. The charitable activities expenditure has increased significantly to £2,058,798 (2022: £1,641,751) largely as a result if the settlement agreement payable to the former CEO (see staff matters section above). The charitable company achieved a deficit of £374,196 (2022: surplus of £45,805) on unrestricted funds, including a loss on investments.

Reserves Policy

The level of unrestricted reserves at 31 July 2023 is £1,076,904. Charity reserves are held for a number of important reasons:

1. Fund business development and growth to remain competitive and to offer the charities services to a wider business community;
2. Support apprentices made redundant to continue to complete their apprenticeships with alternative employers;
3. Enable the charity to discharge all its commitments to existing apprentices and companies should government funding diminish or cease; and
4. Fund necessary activities to minimise risk to the charities ability to operate as a going concern.

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A designated capital fund of £348,796 was held at 31 July 2023 which is equal to the net book value of the property. The free reserves held at 31 July 2023 was £728,801.

Principle Funding Sources

Principle funding sources and associated activities during 2022-23:

- ESFA – 100% government funding up to the apprenticeship standard funding cap for 16-18 apprentices to cover training costs when employed within a small company employing less than 50 employees with a payroll of less than £3 million, however there is a 5% employer funding contribution should they recruit a 19+ apprentice; 95% funding from the ESFA and 5% funding cost for an employer recruiting an apprentice who employs more than 50 employees but has a payroll of less than £3 million;
- Employers – large companies who employ more than 50 employees with a payroll in excess of £3 million fund Tyne North Training apprenticeships direct through their employer levy accounts; and
- Commercial income, investment income and interest – a small proportion of income is generated through the delivery of NVQs to existing adult employees working within apprenticeship employing companies, plus investment income held by two investment managers and interest received on reserves held.

Going Concern

The board are in ongoing discussions over the future ownership and management structure of the entity. Although the board does not see any impact to the employees or apprentices, it is currently uncertain as to the future structure of the business and consequently its future funding streams. At the time of approval of these financial statements, the board considers that the going concern basis of accounting remains appropriate and therefore continue to prepare these financial statements on such basis. However given the inherent uncertainty over the current position and its potential impact on funding and delivery of training beyond July 2025, there is acknowledgement that the longer term future of the entity is in question.

PLANS FOR FUTURE PERIODS

The company will continue to effectively manage external changes and challenging targets contained within the core objectives agreed each year, effectively capitalise on future growth opportunities and enhance quality delivery. The company is in the early stages of considering a form of partnership with other companies to improve the levels of training.

The charity will continue to focus on achieving its core objectives to:

- Continue to meet ESFA contractual obligations and maintain EAL and Pearson assessment centre status.
- Improve the quality of learning underpinned by effective training officer CPD.
- Focus on sustaining an improvement apprenticeship completion rate.
- Continue to be active in seeking to increase the number of apprenticeships and new employers through proactive business development supported with quality candidate attraction.
- Ensuring the curriculum design and delivery meets or exceeds both employer and apprentice needs and expectations.

The achievement of Tyne North Training's strategic objectives will seek to safeguard effective, high quality subcontracted delivery and embed a proactive account management system across all business functions.

Management are in the process of assessing the current ownership, board and management structure of the charitable company. They are exploring ways to continue to meet the charitable objectives while ensuring the operations of the charity can continue for the medium to long term future. See the going concern seection of the trustees report and note 1.3 in the accounting policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The charity is a charitable company limited by guarantee. It is governed by a Memorandum and Articles of Association.

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Organisational Structure and Trustee Induction Process
Prospective trustees are nominated from member companies and elected onto the Board. Prior to election, wherever possible, prospective trustees attend 'Executive Committee' meetings, in an ex-officio capacity, to familiarise themselves with the workings of the charity. They are also provided with a copy of the Memorandum and Articles of Association; the Charity Commission's 'The Essential Trustee: What you need to know'; and the current Self-Assessment Report, Strategic and Operational Business Objectives and Quality Improvement Plan.

Members eligible for election must be an ordinary or representative member. An ordinary member is any person being an individual or corporate body who carries on business in the engineering industry or commerce.
A representative member is a person nominated by the company, either a partnership or other unincorporated body which carries on business in the engineering industry or commerce.

Excluding the Chairman, the number of trustees must not exceed six nor be less than two. No external body or person is entitled to appoint a trustee to Tyne North Training Limited.

The induction includes a meeting with a member of the key management personnel during which any queries relating to the governance, structure or management of the charity and its aims and objectives would be addressed.

The trustees make strategic and policy decisions on behalf of the business and agree strategic and operational objectives with key management personnel. Financial expenditure is authorised by two signatories required, including the chairman.

Implementing the strategic and operational objectives and the day to day running of the company is delegated to the key management personnel.

O**ganisation structure**

Until September 2024, the executive committee provided delegated authority to the Chief Executive Officer, who in turn lead the employees to operate the businesa and set the strategic direction. As noted in the Reference and administrative details section of the report, the Chief Executive Officer resigned on 30 September 2024. Since then, the Chair has taken on the role of the Chief Executive Officer until the future of the ownership, board, management structure is finalised.

Pay policy for senior staff
The trustees and senior management team represent the key management of the charity with the trustees being responsible for strategy and directing the charity and the senior management team having responsibility for controlling and operating the charity on a day to day basis. All trustees give their time freely throughout the year without receiving any form of financial remuneration.

The pay of senior staff is reviewed annually by the board of Tyne North Training.

Risk Management
The trustees have identified the following as major risks to which the charity is exposed: the loss or withdrawal of ESFA contracts; the removal of the charity from the ESFA Register of Apprenticeship Training Providers (RoATP) list; an inadequate Ofsted inspection; inadequate financial ESFA health grade leading to ESFA intervention; continual alignment to ESFA subcontracting rules and regulations and the successful retention of the subcontracting cap exemption status; and/or the loss of approval as an assessment centre for EAL and/or Pearson, all of which would render the business unable to deliver engineering manufacturing and business & administration apprenticeships.

The charity has put in place a number of policies, systems and procedures to mitigate these risks to ensure the quality and financial performance of the organisation does not give cause or concern for loss or withdrawal of these ESFA contracts; RoATP and/or approval centre status, as follows:
- Internal quality system designed in accordance with ESFA, Ofsted, EAL and Pearson requirements;
- Board approved strategic and operational business objectives;

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- A sound financial base, exercising financial probity with a minimum financial 'satisfactory' rating from the ESFA;
- Performance figures and success rates consistently above national averages;
- Expert, highly qualified and committed staff who regularly undertake training and CPD activities;
- Continuous, close monitoring of ESFA funding rule changes, contractual requirements and minimum level performance criteria along with the need to continually align its operations to Ofsted, EIF requirements; and
- Ensuring reports are consistent and favourable from EAL external verifier and Pearson standards verifier audits

Additional to the above there are always competitive risks and pressures from other training providers as government funding, apprentice funding rate and the apprenticeship policy is continuously redefined within a financially and operationally competitive environment.

The company manages an effective working relationship with the local college, facilitated by contracts for service delivery and continues to recruit and retain a high number of apprentices whilst achieving completion rates in excess of National averages, all of which contribute towards mitigating risk.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Tyne North Training Limited for the purpose of company law) are responsible for preparing the Trustee's Annual 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company 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 2015 (FRS 102)
- 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 financial statements on a 'going concern' basis, unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:
- there is no relevant audit information of which the charitable company'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 charitable company's auditor is aware of that information.

Approved by order of the members of the board of trustees on 14 November 2024 and signed on their behalf by:

Signed by:

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T I Selkirk
Chairman

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Independent auditor's report to the Members of Tyne North Training Limited

Opinion

We have audited the financial statements of Tyne North Training Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates uncertainty over the future operations of the charitable company as a result of ongoing board discussions around the ownership and management structure of the entity, which may impact future funding. As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from the date of this report. Our opinion is not modified in respect of this matter.

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

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

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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 trustees are responsible for the other information contained within the annual report. 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding, environmental law and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

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.

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

Use of our report

This report is made solely to the charitable company's trustees, 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

14 November 2024

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Tyne North Training Limited

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 July 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	2	**1,681,311**	**1,681,311**	1,726,127
Other trading activities		**-**	**-**	4,194
Investments	3	**16,055**	**16,055**	10,904
Total income		**1,697,366**	**1,697,366**	1,741,225
Expenditure on:				
Investment management costs		**6,185**	**6,185**	6,576
Charitable activities	4	**2,058,798**	**2,058,798**	1,641,751
Total expenditure		**2,064,983**	**2,064,983**	1,648,327
Net (expenditure)/income before net losses on investments		**(367,617)**	**(367,617)**	92,898
Net losses on investments		**(6,579)**	**(6,579)**	(47,093)
Net movement in funds		**(374,196)**	**(374,196)**	45,805
Reconciliation of funds:				
Total funds brought forward		**1,451,100**	**1,451,100**	1,405,295
Net movement in funds		**(374,196)**	**(374,196)**	45,805
Total funds carried forward		**1,076,904**	**1,076,904**	1,451,100

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

The notes on pages 17 to 28 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Balance sheet
At 31 July 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	7		**348,796**		358,296
Investments	8		**635,363**		636,340
			984,159		994,636
Current assets					
Debtors	9	**194,677**		190,906	
Cash at bank and in hand		**727,810**		451,037	
		922,487		641,943	
Creditors: amounts falling due within one year	10	**(829,742)**		(185,479)	
Net current assets			**92,745**		456,464
Total assets less current liabilities			**1,076,904**		1,451,100
Total net assets			**1,076,904**		1,451,100
Charity funds					
Unrestricted funds	11		**1,076,904**		1,451,100
Total funds			**1,076,904**		1,451,100

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 14 November 2024 and signed on their behalf by:

Signed by:

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T T Selkirk
Chairman

Company registered number: 00992831

The notes on pages 17 to 28 form part of these financial statements.

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Tyne North Training Limited

(A company limited by guarantee)

Statement of cash flows
Year ended 31 July 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	**266,320**	(266,430)
Cash flows from investing activities		
Interest and dividends received	**16,055**	10,904
Purchase of tangible fixed assets	**-**	(1,660)
Proceeds from sale of investments	**46,172**	94,901
Purchase of investments	**(51,774)**	(87,837)
Net cash provided by investing activities	**10,453**	**16,308**
Change in cash and cash equivalents in the year	**276,773**	**(250,122)**
Cash and cash equivalents at the beginning of the year	**451,037**	701,159
Cash and cash equivalents at the end of the year	**727,810**	451,037

The notes on pages 17 to 28 form part of these financial statements

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1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Tyne North Training Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are preparedunder the historical cost convention, are presented in pounds sterling and rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in United Kingdom and registered in England and Wales. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £20 per member of the company.

1.3 Going concern

The company has financial reserves held in cash, investments and fixed assets. The company has strong free reserves (unrestricted reserves not tied up in tangible fixed assets) of £728,108. As a consequence, the trustees believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The board are in ongoing discussions over the future ownership and management structure of the entity. Although the board does not see any impact to the employees or apprentices, it is currently uncertain as to the future structure of the business and consequently its future funding streams. At the time of approval of these financial statements, the board considers that the going concern basis of accounting remains appropriate and therefore continue to prepare these financial statements on such basis. However given the inherent uncertainty over the current position and its potential impact on funding and delivery of training beyond July 2025, there is acknowledgement that the longer term future of the entity is in question.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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1. Accounting policies (continued)

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. 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years
Office equipment	-	15% straight-line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Employee benefits

Short-term benefits
Short-term benefits, including other non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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2. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Education and Skills Funding Agency	1,652,249	**1,652,249**
Employer contributions	29,062	**29,062**
	1,681,311	**1,681,311**

	Unrestricted funds 2022 £	Total funds 2022 £
Education and Skills Funding Agency	1,692,479	1,692,479
Employer contributions	26,616	26,616
Workforce development	7,032	7,032
	1,726,127	1,726,127

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from investments	14,622	**14,622**
Interest receivable	1,433	**1,433**
	16,055	**16,055**

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3. Investment income (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Income from investments	10,877	10,877
Interest receivable	27	27
	10,904	10,904

4. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Charitable activities	1,483,690	575,108	**2,058,798**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	1,390,273	251,478	1,641,751

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4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**384,814**	42,471
Premises expenses	**31,344**	31,481
Office costs	**36,766**	28,615
Motor costs	**49,714**	49,725
Bank charges	**152**	1,599
Subscriptions and professional fees (including auditors' remuneration)	**49,088**	62,891
Sundry costs	**10,680**	17,255
Depreciation	**9,500**	11,318
Equipment costs and repairs	**3,050**	6,123
	575,108	251,478

5. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £11,000 (2022: £6,500), and bookeeping services of £10,800 (2022: £7,258).

6. Staff costs

	2023 £	2022 £
Wages and salaries	**970,355**	680,168
Social security costs	**116,790**	80,621
Pension costs	**132,321**	118,303
	1,219,466	879,092

The average number of persons employed by the company during the year was as follows:

	2023 No.	2022 No.
Charitable activities	**14**	17

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6. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £100,001 - £110,000	**-**	1
In the band £420,001 - £430,000	**1**	-

No expenses were reimbursed to any trustees during the year (2022: £nil). No trustees received any remuneration.

The key management personnel of the charity comprise the senior management team (as listed on page 1), with total employee benefits (including pension costs) of £607,979 (2022: £297,874).

During the year, the company reached a settlement agreement with the Chief Executive Officer totalling £323,269. This amount was split between a payment to the individual of £263,269 and a payment to their pension fund of £60,000. The settlement was to agree early termination of their employment contract. The agreement was reached in May 2023 and paid post year end. In accordance with the chosen accounting policies, the settlement expense has been recognised in May 2023, being the date the obligation to pay the settlement arose. The balance is carried as a liability at 31 July 2023, included within accruals and deferred income. The charity continues to have sufficient unrestricted reserves to fund the settlement payment and continue to fund operations at the balance sheet date.

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7. Tangible fixed assets

	Freehold property £	Office equipment £	Total £
Cost			
At 1 August 2022	**400,000**	**184,816**	**584,816**
At 31 July 2023	**400,000**	**184,816**	**584,816**
Depreciation			
At 1 August 2022	**43,204**	**183,316**	**226,520**
Charge for the year	**8,000**	**1,500**	**9,500**
At 31 July 2023	**51,204**	**184,816**	**236,020**
Net book value			
At 31 July 2023	**348,796**	**-**	**348,796**
At 31 July 2022	356,796	1,500	358,296

8. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 August 2022	**636,340**
Additions	**51,774**
Disposals	**(46,977)**
Revaluations	**(5,774)**
At 31 July 2023	**635,363**
Net book value	
At 31 July 2023	**635,363**
At 31 July 2022	636,340

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9. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	**148,528**	156,071
Other debtors	**5,000**	500
Prepayments and accrued income	**41,149**	34,335
	194,677	190,906

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**344,902**	141,331
Other taxation and social security	**35,549**	11,845
Other creditors	**6,500**	7,000
Accruals and deferred income	**442,791**	25,303
	829,742	185,479

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11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
Unrestricted funds					
Designated funds					
Property Fund	**356,796**	**-**	**(8,000)**	**-**	**348,796**
General funds					
General Funds	**1,094,304**	**1,697,366**	**(2,056,983)**	**(6,579)**	**728,108**
Total Unrestricted funds	**1,451,100**	**1,697,366**	**(2,064,983)**	**(6,579)**	**1,076,904**

The designated property fund has a balance equal to the net book value of the freehold property which enables the non-liquid reserves to be easily identifiable.

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11. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds					
Designated funds					
Property Fund	364,796	-	(8,000)	-	356,796
General funds					
General Funds	1,040,499	1,741,225	(1,640,327)	(47,093)	1,094,304
Total Unrestricted funds	1,405,295	1,741,225	(1,648,327)	(47,093)	1,451,100

12. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**(374,196)**	45,805
Adjustments for:		
Depreciation charges	**9,500**	11,440
Losses/(gains) on investments	**6,579**	47,093
Dividends, interests and rents from investments	**(16,055)**	(10,904)
(Increase)/decrease in debtors	**(3,771)**	2,399
Increase/(decrease) in creditors	**644,263**	(362,263)
Net cash provided by/(used in) operating activities	**266,320**	(266,430)

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13. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	**727,810**	451,037

14. Analysis of changes in net debt

	At 1 August 2022	Cash flows	At 31 July 2023
	£	**£**	**£**
Cash at bank and in hand	**451,037**	**276,773**	**727,810**

15. Pension commitments

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company which amounted to £192,321 (2022: £118,303).

16. Operating lease commitments

At 31 July 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	**27,763**	39,568
Later than 1 year and not later than 5 years	**-**	26,717
	27,763	66,285

17. Related party transactions

The company has entered into a settlement agreement totaling £323,269 to the Chief Executive Officer in the year. The full amount was owing at 31 July 2023. See note 6 for further information.