

REGISTERED COMPANY NUMBER: 1475237 (England and Wales)
REGISTERED CHARITY NUMBER: 512976

Report of the Trustees and

Financial Statements

for the Year Ended 31 July 2025

for

Herefordshire and Worcestershire Group

Training Association Limited

(by guarantee)

Thorne Widgery Accountancy Ltd

Chartered Accountants

Statutory Auditors

2 Wyevale Business Park

Kings Acre

Hereford

Herefordshire

HR4 7BS

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Contents of the Financial Statements
for the Year Ended 31 July 2025

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 8
Report of the Independent Auditors	9 to 12
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Cash Flow Statement	16
Notes to the Financial Statements	17 to 27
Detailed Statement of Financial Activities	28

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Reference and Administrative Details
for the Year Ended 31 July 2025

TRUSTEES

D Goldsmith
S Green
D J Hunt
A Hall
Mrs S K Bourn
A E Pitt (appointed 25.9.24)
S Smith (appointed 25.9.24)

COMPANY SECRETARY

R J Griffiths

REGISTERED OFFICE

Holmer Road
Hereford
HR4 9SX

REGISTERED COMPANY NUMBER

1475237 (England and Wales)

REGISTERED CHARITY NUMBER

512976

AUDITORS

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS

Lanyon Bowdler
12 The Business Quarter
Eco Park Road
Ludlow
Shropshire
SY8 1FD

BANKERS

Lloyds Bank PLC
8 High Town
Hereford
HR1 2AE

Key Management

N Morgan
A Jones
R J Griffiths

Chief Executive
Head of Engineering (retired July 2025)
Finance Manager
Head of Engineering (appointed July 2025)

S Hopcutt

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Reference and Administrative Details
for the Year Ended 31 July 2025

J Jones
V Smith

Head of Organisational Development
Head of Commerce

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Report of the Trustees
for the Year Ended 31 July 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 August 2024 to 31 July 2025. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

There have been no changes in the Company's objects during the year. The objects as stated in the Company's Memorandum of Association for which the Company is established are:

- a) To promote and advance the theoretical and practical education and training of persons engaged in, or intending to be engaged in, industry and commerce.
- b) Subject to the foregoing object, to extend such provision or assistance to the training or education of members of the public generally.

The Association's prime purpose is to organise and provide training for Members and other customers. This is summarised in the Mission Statement "HWGTA's mission is to deliver outstanding training provision that results in an increasingly skilled, dynamic, resilient and dedicated workforce for the local economy".

In order to do this effectively the following key objectives are in place:

1. Maintain high Quality Achievement Rates across all programmes
2. Ensure high levels of customer, learner and employer satisfaction
3. Meet the statutory requirements for keeping people safe in education and encouraging equality, diversity and inclusion
4. Continually improve the quality of our pedagogical and vocational provision to retain our Ofsted grade 1 Outstanding status
5. Generate a surplus each year to allow reinvestment in training activities

To achieve the objectives the services are extended to:

1. Provide advice and guidance on training and related matters
2. Provide careers advice and guidance to schools, colleges and people not in employment, education or training
3. Provide an apprenticeship promotion and a recruitment service
4. Maintain our Department for Education contract and APAR status to allow access to apprenticeship funding
5. Plan, implement, deliver and review high quality apprenticeship training
6. Review the availability of funded projects to facilitate training for members, customers and local people
7. Influence external agencies on the training and skills needs of members and customers

Significant activities

The Association delivers the following provision:

Apprenticeships

Accountancy and Finance
Business Administration
Coaching
Customer Service
Engineering and Manufacturing
Leadership & Management

Training

Engineering (inc Electrical)
Firs Aid (inc Mental Health FA)
Health & Safety
IT
Leadership & Management
Skills Bootcamps
Teaching & Trainer qualifications

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Report of the Trustees
for the Year Ended 31 July 2025

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The priorities for the year were to:

1. Meet the training needs of the Members and other customers, evidenced by feedback surveys and continual demand for services
2. Deliver apprenticeships for employers to the criteria of the Department for Education and Skills England
3. Maintain high levels of achievement and progression
4. Contribute to regional and national skill priorities through memberships of local and national network groups
5. Progress the 'ideal' of employer-led training

Our key performance indicators are:

1. Numbers of apprentice starts across all programmes
2. Quality Achievement rates
3. Number of withdrawals (non-achievers)
4. Learners that are past planned end date
5. Learners on a break-in-learning
6. Number of schools and careers events attended
7. Financial indicators

The Association operated out of two sites located in Hereford and Worcester.

The Association has again continued to work in achieving its priorities as set out above whilst:

" Further developing existing Apprenticeship Standards and introducing new Apprenticeship standards and training courses as a lead provider to service local needs.

" Investing in facilities and equipment.

" Collaborating with local authorities to tender for and deliver funded training programmes.

Ofsted carried out their inspection of the Association's activities in January 2025, covering apprenticeships and adult skills (skills bootcamp) provision. The inspection found the Association to be an Outstanding provider, reflecting the high-quality provision, strong outcomes and collaborative connection with employers. The Association is delighted to retain the Outstanding grade, originally received in March 2016.

Autumn 2024 recruitment resulted in the highest intake in the Association's history, with the cohort peaking at 736 learners in October (+7% on previous year). The September engineering intake of 135 learners was supported by consistent ongoing recruitment to commerce and management programmes throughout the year. A priority for the Association is to increase participation of underrepresented groups, such as females into engineering, in future cohorts to meet and exceed national averages.

Demand for commercial training increased on the previous year, with targets for leadership, management, and IT courses exceeded. This demand was supported by the People & Skills project in collaboration with Herefordshire Council. Additional units for engineering apprentices were popular, resulting in increased commercial income. The skills bootcamps in welding have been fully subscribed, with learners utilising new skills to find employment and progression to apprenticeships.

Due to the demand, an extension to the mezzanine floor was installed in the Worcester engineering centre, creating 220m² of additional capacity. The first phase of this project was funded from cash reserves. Phase two of this project, to construct two training rooms and a fluid power workshop, has subsequently been installed in summer 2025. The additional space ensures the Association can continue to meet demand for apprenticeships, skills bootcamps, and commercial engineering training.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Report of the Trustees
for the Year Ended 31 July 2025

The Association's achievement rates decreased in the 2024/25 year. With 220 learners completing, the Association's achievement rate is 74.3%, significantly above DfE targets and previously published national average. Maintaining high levels of achievement remains a key objective of the Association. The trustees monitor and scrutinise achievement and retention rates to ensure achievement remains consistently high and challenge the management team to continually improve all elements of training delivery.

HWGTA Achievement Rates	Overall Achievement			
	2021/22	2022/23	2023/24	2024/25
Leavers	267	300	284	288
Achieved	201	226	329	220
Achievement Rate	75.3%	75.3%	76.7%	74.3%

FINANCIAL REVIEW

Financial position

The results for the year are set out in this document.

The principal source of funding is apprenticeship funds via the Department for Education, used to provide apprentice training and assessment in accordance with the Apprenticeship Funding Rules.

Increased engineering cohorts combined with consistent commerce and management starts have supported significant revenue growth, enabling more efficient utilisation of resources. Ongoing cost inflation, combined with the majority of apprenticeship funding remaining at 2017 levels, continue to present a considerable challenge to generating a surplus. Strategies to expand commercial revenue as a means of supporting the Association's activity have supported growth. The Association continues to contribute to networks such as GTA England, Trailblazer groups and funding reviews to influence funding policy and ensure a sustainable future.

Year-on-year revenue increased by 16%, supported by growth in apprentice numbers, uplifts to accountancy apprenticeship funding bands, and an increase in commercial activity. This resulted in a year end surplus of £357,508, significantly ahead of budget.

The 2025-2026 year has started with a successive record intake for the August to October period, with all programmes on budget. Government policy will result in significant change across the apprenticeship sector over the next year, presenting risk and opportunities for the Association. Significant focus will be applied to assessment reform, changes to employer co-investment, and the introduction of levy funded "apprenticeship units".

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Report of the Trustees
for the Year Ended 31 July 2025

FINANCIAL REVIEW

Reserves policy

The Association holds reserves to ensure:-

- " Continuation of activities in periods of less favourable funding and income.
- " Secure and suitable premises in Herefordshire and Worcestershire.
- " Provision for major capital items.
- " The capability to develop new provision.

Level of reserves

To meet fluctuations in funding and routine capital expenditure, we are working towards operating cash reserves being maintained at a minimum of £550k. The level of Reserves may be increased up to a maximum level of 100% of turnover, reflecting the anticipated costs of future projects such as the purchase of land and/or buildings.

Maintenance and monitoring of reserves

In years of favourable funding, resulting surpluses will be held as reserves within the levels and for the purpose set out in this policy.

The Board of Directors will review current levels of reserves along with various operational factors at each Board meeting. Reserves will be externally audited annually and discussion between the Auditor, Chairman, Treasurer and Chief Executive will confirm compliance with the reserves policy.

Monitoring and reviewing the policy

All policies, including the Reserves Policy, will be reviewed by the Board of Directors as required by the Association quality procedure.

FUTURE PLANS

The Association plans to continue the work in line with the principal activities of the company. The 2023-26 strategic plan continued to be implemented during the year under the following themes:

- " Sustainability
- " Influence & Engagement
- " Quality & Improvement
- " Provision
- " People & Facilities

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Report of the Trustees
for the Year Ended 31 July 2025

Herefordshire and Worcestershire Group Training Association Limited is a company limited by guarantee and a charity. The charitable company's memorandum and articles of association are the primary governing documents.

The trustees are also directors of the charitable company for the purposes of company law. The method and recruitment of trustees is defined in the Articles of Association.

Details of the trustees who served throughout the year are included in the Reference and Administrative details on page 3.

The trustees/ directors have conducted their own review of the major risks to which the Association is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the Association. These procedures are periodically reviewed to ensure that they still meet the needs of the Association.

If new trustees/directors are required, they will be recruited from apprentice employers and will be provided with an induction to understand the operation and governance of the Association.

The Senior Management Team comprises key management personnel responsible for efficient and effective control of their designated operations on a day-to-day basis. The Chief Executive, as appointed by the Board of Trustees/Directors, has overall strategic and operational control of the Association.

REMUNERATION POLICY - SENIOR STAFF

All Trustees/Directors give of their time voluntarily and freely and have received no remuneration or reimbursement of expenses during the year.

The Board assemble a Remuneration Committee comprising the Chief Executive, the Chairman, the Treasurer plus one Board member, who meet annually to conduct a salary review for all staff; market factors, average earnings locally and recruitment needs are considered. Individuals may be reviewed independently where a significant change in their role has occurred. The Chief Executive exits the meeting so that their remuneration can be reviewed confidentially.

FUND-RAISING STANDARDS INFORMATION

The Association does not carry out any significant fundraising activities.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Report of the Trustees
for the Year Ended 31 July 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Herefordshire Group Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 that period. In preparing those financial statements, the trustees are required to

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

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


In so far as the trustees are aware:

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

AUDITORS

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 27/2/26 and signed on its behalf by:


.....
D Goldsmith - Trustee

Report of the Independent Auditors to the Members of
Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Opinion

We have audited the financial statements of Herefordshire and Worcestershire Group Training Association Limited (by guarantee) (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the 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.

Report of the Independent Auditors to the Members of
Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- o Enquiring of trustees, the finance committee and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- o Reading Trustees' meetings and finance committee minutes.
- o Considering performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks. We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by finance management/ those posted and approved by the same user/ those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards) and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation and the Charities Act legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Report of the Independent Auditors to the Members of
Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Secondly, the Charity is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Charity's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering and specific areas of other 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 management, inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Independent Auditors.

Use of our report

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



Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 6/3/26

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2025

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	31.7.25 Total funds £	31.7.24 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	3					
Provision of training		4,596,050	-	-	4,596,050	3,971,358
Investment income	2	21,124	-	-	21,124	61,373
Other income		1,000	-	-	1,000	1,250
Total		<u>4,618,174</u>	<u>-</u>	<u>-</u>	<u>4,618,174</u>	<u>4,033,981</u>
EXPENDITURE ON						
Raising funds						
Investment management costs	4	11,508	-	-	11,508	12,591
		<u>11,508</u>	<u>-</u>	<u>-</u>	<u>11,508</u>	<u>12,591</u>
Charitable activities	5					
Provision of training		4,249,158	-	-	4,249,158	3,875,541
Total		<u>4,260,666</u>	<u>-</u>	<u>-</u>	<u>4,260,666</u>	<u>3,888,132</u>
NET INCOME		357,508	-	-	357,508	145,849
RECONCILIATION OF FUNDS						
Total funds brought forward		3,866,257	-	-	3,866,257	3,720,408
TOTAL FUNDS CARRIED FORWARD		<u>4,223,765</u>	<u>-</u>	<u>-</u>	<u>4,223,765</u>	<u>3,866,257</u>

The notes form part of these financial statements

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee) (Registered number: 1475237)

Balance Sheet
31 July 2025

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	31.7.25 Total funds £	31.7.24 Total funds £
FIXED ASSETS						
Tangible assets	10	3,983,859	-	-	3,983,859	3,911,610
Investment property	11	845,000	-	-	845,000	845,000
		<u>4,828,859</u>	<u>-</u>	<u>-</u>	<u>4,828,859</u>	<u>4,756,610</u>
CURRENT ASSETS						
Debtors	12	491,158	-	-	491,158	495,183
Cash at bank		1,081,924	-	-	1,081,924	851,495
		<u>1,573,082</u>	<u>-</u>	<u>-</u>	<u>1,573,082</u>	<u>1,346,678</u>
CREDITORS						
Amounts falling due within one year	13	(357,758)	-	-	(357,758)	(278,661)
NET CURRENT ASSETS		<u>1,215,324</u>	<u>-</u>	<u>-</u>	<u>1,215,324</u>	<u>1,068,017</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,044,183</u>	<u>-</u>	<u>-</u>	<u>6,044,183</u>	<u>5,824,627</u>
CREDITORS						
Amounts falling due after more than one year	14	(1,820,418)	-	-	(1,820,418)	(1,958,370)
NET ASSETS		<u>4,223,765</u>	<u>-</u>	<u>-</u>	<u>4,223,765</u>	<u>3,866,257</u>
FUNDS	18					
Unrestricted funds:						
General fund					4,223,765	3,866,257
TOTAL FUNDS					<u>4,223,765</u>	<u>3,866,257</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22.12.26 and were signed on its behalf by:


.....
S Green - Trustee

The notes form part of these financial statements

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Cash Flow Statement
for the Year Ended 31 July 2025

	Notes	31.7.25 £	31.7.24 £
Cash flows from operating activities			
Cash generated from operations	1	492,242	265,983
Interest paid		(122,623)	(138,519)
Rental income		-	(38,830)
Net cash provided by operating activities		369,619	88,634
Cash flows from investing activities			
Purchase of tangible fixed assets		(161,314)	(11,880)
Sale of tangible fixed assets		1,000	1,250
Interest received		21,124	22,543
Rental income		-	38,830
Net cash (used in)/provided by investing activities		(139,190)	50,743
Cash flows from financing activities			
Loan repayments in year		-	(98,620)
Net cash provided by/(used in) financing activities		-	(98,620)
Change in cash and cash equivalents in the reporting period		230,429	40,757
Cash and cash equivalents at the beginning of the reporting period		851,495	810,738
Cash and cash equivalents at the end of the reporting period		1,081,924	851,495

The notes form part of these financial statements

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Cash Flow Statement
for the Year Ended 31 July 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.7.25 £	31.7.24 £
Net income for the reporting period (as per the Statement of Financial Activities)	357,508	145,849
Adjustments for:		
Depreciation charges	93,185	74,045
Profit on disposal of fixed assets	(1,000)	(1,250)
Interest received	(21,124)	(22,543)
Interest paid	122,623	138,519
Decrease in debtors	4,025	13,953
Decrease in creditors	(62,975)	(82,590)
Net cash provided by operations	<u>492,242</u>	<u>265,983</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.24 £	Cash flow £	At 31.7.25 £
Net cash			
Cash at bank	851,495	230,429	1,081,924
	<u>851,495</u>	<u>230,429</u>	<u>1,081,924</u>
Debt			
Debts falling due within 1 year	(120,153)	(33,158)	(153,311)
Debts falling due after 1 year	(1,958,370)	137,952	(1,820,418)
	<u>(2,078,523)</u>	<u>104,794</u>	<u>(1,973,729)</u>
Total	<u>(1,227,028)</u>	<u>335,223</u>	<u>(891,805)</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going Concern

The Board has carefully reviewed the basis for preparing the financial statements and is satisfied that the going concern basis remains appropriate. This assessment is supported by strong and sustained demand for our apprenticeship and training provision, continued high levels of learner recruitment, and long-term forecasts that reinforce the Association's financial viability.

The board has also reviewed the impact of funding band constraints and cost inflation and continues to mitigate these pressures through participation in apprenticeship reforms with provider networks, trailblazer groups and Government events. Apprenticeship policy is undergoing a period of significant reform, with the formation of Skills England and the transfer of responsibility for apprenticeships from DfE to DWP. The board is abreast of these changes and are satisfied skills and apprenticeships remain a key strategic priority for Government, and therefore policy changes will not have a significant impact on the Association's position.

The Board and leadership team continue with a strategic approach to planning and are providing effective leadership to ensure the long-term security of the Association, thus ensuring the Association remains a going concern in the coming years.

At the year end Free Reserves increased from £1,068,017 to £1,254,212, the majority of which is held in the form of cash at bank. However, taking into account the long term liability (bank loan) the balance has decreased from (£2,042,184) to (£1,958,370). This is still the case as of date of signing these financial statements.

The board and leadership team remain committed to strategic financial planning, close monitoring of performance, and maintaining strong governance to ensure the long-term sustainability of the Association. Accordingly, the board is satisfied that there are no material uncertainties that cast doubt on the Association's ability to continue as a going concern for the foreseeable future.

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

Rental income is recognised on a straight line basis over the term of the lease.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amounts prepaid net of any discounts due.

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Tangible fixed assets

The Charity has taken advantage of the rules on transition to FRS102 to show land and building at deemed cost, in particular Crossway House. Freehold land and building used for charitable purposes are included at their original cost.

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Property Improvements	Straight Line over 10 years
Fixtures & Fittings	Straight Line over 4 years
Plant & Machinery	Straight Line over 10 years
Hardware & Software	Straight Line over 3 years
IT & Infrastructure	100% Straight line in year 1

Assets under construction are not depreciated until brought into use.

Freehold property is not depreciated as the Trustees consider they maintained it to a good state of repair, therefore depreciation would not be material.

Annual impairment reviews are completed by the Trustees.

Investment property

Investment property is initially measured at cost and subsequently at fair value at the reporting date.

Elgar House	£845,000
-------------	----------

The directors are of the opinion that this is still a true market value.

Taxation

The charitable company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

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

Cash and bank and in hand

Cash at bank and cash in hand 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.

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.7.25 Total funds	31.7.24 Total funds
	£	£	£	£
Rents received	-	-	-	38,830
Investment income	21,124	-	21,124	22,543
	<u>21,124</u>	<u>-</u>	<u>21,124</u>	<u>61,373</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.7.25 £	31.7.24 £
Government funds	Provision of training	3,613,145	3,003,613
Employers contributions and other course income	Provision of training	974,820	957,714
Room hire	Provision of training	5,585	7,073
Other income	Provision of training	2,500	2,958
		<u>4,596,050</u>	<u>3,971,358</u>

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds	Restricted funds	31.7.25 Total funds	31.7.24 Total funds
	£	£	£	£
Interest payable and similar charges	11,508	-	11,508	12,591

5. CHARITABLE ACTIVITIES COSTS

Charitable activities costs relate to the provision of training and are all direct costs.

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.7.25 £	31.7.24 £
Depreciation - owned assets	89,065	74,046
Surplus on disposal of fixed assets	(1,000)	(1,250)
Auditors' fees - statutory audit	9,925	8,416
Operating lease payments	37,503	33,483

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2025 nor for the year ended 31 July 2024.

8. STAFF COSTS

	31.7.25 £	31.7.24 £
Wages and salaries	2,129,109	1,995,002
Social security costs	229,319	201,892
Other pension costs	94,811	94,476
	2,453,239	2,291,370

The average monthly number of employees during the year was as follows:

	31.7.25	31.7.24
Key management	5	5
Training	39	37
Administration	14	13
Associates	3	3
	61	58

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

8. STAFF COSTS - continued

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

	31.7.25	31.7.24
£70,001 - £80,000	1	1

The key management personnel of the charitable company comprise the Chief Executive and the management team as listed on page 1. The total employee benefits of the key management personnel were £314,703 (2024: £294,951).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Provision of training	3,971,358	-	-	3,971,358
Investment income	61,373	-	-	61,373
Other income	1,250	-	-	1,250
Total	4,033,981	-	-	4,033,981
EXPENDITURE ON				
Raising funds				
Investment management costs	12,591	-	-	12,591
	12,591	-	-	12,591
Charitable activities				
Provision of training	3,875,541	-	-	3,875,541
Total	3,888,132	-	-	3,888,132
NET INCOME	145,849	-	-	145,849
RECONCILIATION OF FUNDS				
Total funds brought forward	3,720,408	-	-	3,720,408
TOTAL FUNDS CARRIED FORWARD	3,866,257	-	-	3,866,257

The designated fund is held for future dilapidation costs.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 August 2024	3,740,656	326,821	447,044
Additions	-	112,358	33,156
Disposals	-	-	(6,000)
At 31 July 2025	3,740,656	439,179	474,200
DEPRECIATION			
At 1 August 2024	-	258,846	354,375
Charge for year	-	43,920	33,528
Eliminated on disposal	-	-	(6,000)
At 31 July 2025	-	302,766	381,903
NET BOOK VALUE			
At 31 July 2025	3,740,656	136,413	92,297
At 31 July 2024	3,740,656	67,975	92,669

	Fixtures and fittings £	Hardware & Software £	IT & Infrastructure £	Totals £
COST				
At 1 August 2024	34,001	97,496	33,766	4,679,784
Additions	-	15,800	-	161,314
Disposals	-	-	-	(6,000)
At 31 July 2025	34,001	113,296	33,766	4,835,098
DEPRECIATION				
At 1 August 2024	34,001	87,186	33,766	768,174
Charge for year	-	11,617	-	89,065
Eliminated on disposal	-	-	-	(6,000)
At 31 July 2025	34,001	98,803	33,766	851,239
NET BOOK VALUE				
At 31 July 2025	-	14,493	-	3,983,859
At 31 July 2024	-	10,310	-	3,911,610

The charitable company has taken advantage of the transitional relief to measure the items at fair value at date of transition to FRS 102.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 August 2024	
and 31 July 2025	845,000
NET BOOK VALUE	
At 31 July 2025	845,000
At 31 July 2024	845,000

During the year ended 31 August 2018 the investment property was revalued by an independent valuer. The fair value was determined by using market value as defined in the RICS Appraisal and Valuation Standards. The fair value was calculated to be £845,000 for the investment property.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.25	31.7.24
	£	£
Trade and other debtors	419,539	397,627
Prepayments and accrued income	71,619	97,556
	<u>491,158</u>	<u>495,183</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.25	31.7.24
	£	£
Bank loans and overdrafts (see note 15)	153,311	120,153
Trade and other creditors	136,282	92,178
Social security and other taxes	68,165	58,871
Accruals and deferred income	-	7,459
	<u>357,758</u>	<u>278,661</u>

	2025	2024
	£	£
Deferred Income at 1 August 2024	-	16,235
Released from previous years	-	(16,235)
Deferred Income at 31 July 2025	<u>-</u>	<u>-</u>

At the balance sheet date the Association was holding funds received in advance in relation to rental income for 2023 but nothing seen in 2024 or 2025.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.25	31.7.24
	£	£
Bank loans (see note 15)	1,820,418	1,958,370

15. LOANS

An analysis of the maturity of loans is given below:

	31.7.25	31.7.24
	£	£
Amounts falling due within one year on demand:		
Bank loans	94,978	93,070
Coronavirus Business Interruption Loan	58,333	27,083
	153,311	120,153
Amounts falling between one and two years:		
Bank loans - 1-2 years	94,978	93,070
Coronavirus Business Interruption Loan	-	27,083
	94,978	120,153
Amounts falling due between two and five years:		
Bank loans - 2-5 years	284,935	279,211
Coronavirus Business Interruption Loan	-	54,167
	284,935	333,378
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	1,440,505	1,504,839

16. LEASING AGREEMENTS

At 31 July 2025 the total future minimum lease payments under non-cancellable operating leases were:

Other operating leases		
	31.7.25	31.7.24
	£	£
Expiring:		
Within one year	37,504	35,156
Between one and five years	52,058	58,258
	89,562	93,414

At 31 July 2025 the total future minimum lease receipts under non-cancellable operating leases were:

Land and Buildings		
	31.7.25	31.7.24
	£	£
Expiring:		
Within one year	-	38,795

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

16. LEASING AGREEMENTS - continued

Between one and five years	-	-
	-	<u>38,795</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.25	31.7.24
	£	£
Bank loans	<u>1,973,729</u>	<u>2,078,523</u>

The secured bank loans are secured at 31 July 2025 on freehold and investment property. The terms of the security provide for the lender to claim immediate repayment of the loan in the event of a default.

18. MOVEMENT IN FUNDS

	At 1.8.24 £	Net movement in funds £	At 31.7.25 £
Unrestricted funds			
General fund	3,866,257	357,508	4,223,765
TOTAL FUNDS	<u>3,866,257</u>	<u>357,508</u>	<u>4,223,765</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,618,174	(4,260,666)	357,508
TOTAL FUNDS	<u>4,618,174</u>	<u>(4,260,666)</u>	<u>357,508</u>

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.23 £	Net movement in funds £	At 31.7.24 £
Unrestricted funds			
General fund	3,720,408	145,849	3,866,257
TOTAL FUNDS	<u>3,720,408</u>	<u>145,849</u>	<u>3,866,257</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,033,981	(3,888,132)	145,849
TOTAL FUNDS	<u>4,033,981</u>	<u>(3,888,132)</u>	<u>145,849</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.23 £	Net movement in funds £	At 31.7.25 £
Unrestricted funds			
General fund	3,720,408	503,357	4,223,765
TOTAL FUNDS	<u>3,720,408</u>	<u>503,357</u>	<u>4,223,765</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,652,155	(8,148,798)	503,357
TOTAL FUNDS	<u>8,652,155</u>	<u>(8,148,798)</u>	<u>503,357</u>

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

19. EMPLOYEE BENEFIT OBLIGATIONS

During the period the charitable company incurred pension costs of £94,811 (2024: £94,476). There was an amount of £13,338 outstanding at the year end (2024: £12,316).

20. RELATED PARTY DISCLOSURES

The trustees are all associated with companies that are customers of the Association. All transactions with these companies are carried out at normal commercial rates.

21. ULTIMATE CONTROLLING PARTY

The trustees are deemed to be the ultimate controlling party of the charitable company.

Herefordshire and Worcestershire Group
Training Association Limited
(by guarantee)

Detailed Statement of Financial Activities
for the Year Ended 31 July 2025

	31.7.25 £	31.7.24 £
INCOME AND ENDOWMENTS		
Investment income		
Rents received	-	38,830
Investment income	21,124	22,543
	<u>21,124</u>	<u>61,373</u>
Charitable activities		
Government funds	3,613,145	3,003,613
Employers contributions and other course income	974,820	957,714
Room hire	5,585	7,073
Other income	2,500	2,958
	<u>4,596,050</u>	<u>3,971,358</u>
Other income		
Gain on sale of tangible fixed assets	1,000	1,250
	<u>1,000</u>	<u>1,250</u>
Total incoming resources	<u>4,618,174</u>	<u>4,033,981</u>
EXPENDITURE		
Investment management costs		
Bank loan interest	11,508	12,591
Charitable activities		
Staff salaries	2,129,109	1,995,002
Social security	229,319	201,892
Pensions	94,811	94,476
Training and courses	790,362	821,592
Development and acquisition expenditure	15,215	31,703
Premises costs	273,755	211,990
Office Costs	512,287	318,913
Depreciation of tangible fixed assets	93,185	74,045
Bank loan interest	111,115	125,928
	<u>4,249,158</u>	<u>3,875,541</u>
Total resources expended	<u>4,260,666</u>	<u>3,888,132</u>
Net income	<u>357,508</u>	<u>145,849</u>

This page does not form part of the statutory financial statements