

S W DURHAM TRAINING LIMITED

England & Wales · Charity number 518211

Details

Other names S W DURHAM ENGINEERING TRAINING ASSOCIATION LIMITED

Status Registered

Legal form Charitable company

Company number [00918178](#)

Registered 1986-11-24

Register [View on the Charity Commission register](#)

Contact

Address South West Durham Training Ltd
Durham Way South
Aycliffe Business Park
Newton Aycliffe
DL5 6AT

Phone 01388443000

Email SWDTFinance@bacoll.ac.uk

Website www.swdt.co.uk

Activities

Objects: A TO PROMOTE AND ADVANCE ADEQUATE TRAINING OF PERSONS EMPLOYED OR INTENDING TO BE EMPLOYED IN INDUSTRY AND COMMERCE B SUBJECT TO THE FOREGOING OBJECT, TO EXTEND SUCH TRAINING TO MEMBERS OF THE PUBLIC GENERALLY

Activities: Work based learning provider, funded through Skills Funding Agency and Education Funding Agency for the delivery of engineering, business admin & customer service apprenticeship for individuals 16+. Work with employers to deliver training programmes to support their workforce development. Work with schools to deliver GCSE's Btec diplomas & certificates in engineering to support the 14-19 agenda.

Classification

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

Geography

- Durham

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£1,317,182	£1,438,576	£3,045,994	12
2024-07-31	£1,610,061	£1,367,019	£3,167,385	12
2023-07-31	£1,200,754	£1,202,862	£2,924,345	14
2022-07-31	£1,187,710	£1,296,687	£2,926,454	18
2021-07-31	£1,357,324	£1,449,690	£3,035,431	19
2020-07-31	£179,613	£1,416,047	£3,129,794	21

Trustees

Name	Role	Appointed
Dr David Bell		2022-04-25
James Alexander Robson		2021-03-01
Keith Ivory		2022-01-04
Mark Henderson		2022-03-07
Robert 'Bobby' Taylor		2022-02-07

S W DURHAM TRAINING LIMITED

England & Wales - Charity number 518211

Accounts



S. W. Durham Training Limited

Report of the Trustees and

Financial Statements

for the Year Ended 31 July 2025



Registered Company Number: 00918178
Registered Charity Number: 518211

S. W. Durham Training Limited

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for the Year Ended 31 July 2025**

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S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2025

Trustees' Report

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the financial statements of the charity for the year ended 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)

Objective and Activities

The objective of S W Durham Training Limited is to provide high quality training services and to promote a culture of lifelong learning. The charity aims to meet the ongoing needs of individuals and the business community, maximise potential, secure employment opportunities, and contribute to wealth creation within the region.

Achievement and Performance

During the year, the charitable company has continued to expand and deliver full time training for young people and adults in the engineering sector. It provides high quality vocational training by:

- Providing practical and technical skills required to succeed in the engineering and manufacture industries
- Maximising the potential of learners
- Delivering bespoke and innovative training to meet the needs of the local industrial employer.

Public Benefit

The trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

S W Durham Training Limited provides clear public benefit by delivering high quality training and education that supports individuals in gaining skills, qualifications, and employment. The charity's work is closely aligned with local priorities for the North of England, and particularly County Durham, where economic regeneration, skills development, and employment opportunities are critical to supporting communities. Our activities benefit:

- Young people and adults in County Durham – by offering apprenticeship frameworks, full time training, and lifelong learning opportunities that improve employability and career prospects in sectors identified as regional growth priorities, such as advanced manufacturing and engineering.
- Local employers and the regional economy – by supplying a skilled workforce to meet business needs, supporting productivity, and contributing to County Durham's economic development strategies.
- The wider community – by promoting a culture of learning, raising aspirations, and helping individuals maximise their potential, thereby addressing social mobility challenges and supporting inclusive growth across the North East.

Through these activities, the charity advances education, supports regional skills strategies, and contributes to the creation of jobs and wealth in County Durham and the wider North of England, delivering tangible public benefit in line with its charitable objectives.

**Report of the Trustees
for the Year Ended 31 July 2025**

FINANCIAL REVIEW

Personnel

The average number of employees throughout the period 2024/25 was 18 (2023/24: 12 FTE).

Reserves policy

The Council of Management consider the charitable company requires reserves to:

- ensure that the current activities of the charitable company would be able to continue in the event of a change or significant drop in the level of funding;
- allow the Council to react quickly to the training needs of the manufacturing and service industries in our area;
- enable the charitable company to continue to invest in fixed assets and maintain the freehold property in a high state of repair.

In order to be prepared for these eventualities target reserves equating to 6 months of cash expenditure, excluding Group recharges, are deemed appropriate; £500k. The Reserves Policy will be reviewed and approved annually by the Council.

The Council has reviewed the level of free reserves held, which currently stand at £874,605 (2024: £843,142), and considers this is adequate to ensure the continued operation of the charitable company. South West Durham Training is forecast to return to a surplus position in the current year 2025/26 and through 2026/27 continuing to grow reserves.

Monthly management accounts are prepared to enable the Council to monitor the level of reserves on a timely basis.

Going concern

It is considered appropriate to adopt the going concern basis of accounting in preparing these financial statements, as the Corporation has a reasonable expectation that SWDT will continue to operate for a period significantly longer than the statutory twelve months from the date of approval.

For the year ended 31 July 2025, SWDT reported a deficit of £84k compared with a forecast deficit of £150k (or £121k after capital grant adjustments). During the year, investment was made in staffing and resources to strengthen the foundations for future growth and to support the achievement of long term financial sustainability.

As reported during the year, growth funding was initially calculated on actuals. The Department for Education subsequently revised the methodology, capping growth funding at £100k and committing to pay 50%, subject to reconciliation. In September 2025, the Department released a further payment to SWDT as part of growth funding, which improved the financial outturn for the year ended 31 July 2025 and is reflected in these financial statements.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2025

Looking forward, SWDT is forecasting a surplus position for 2025/26 (before the inter company transfer), supported by the growth in 16–18 learner numbers achieved in 2024/25, which will continue to be funded into 2025/26, albeit at a reduced level.

On this basis, the trustees have a reasonable expectation that SWDT has adequate resources to continue in operational existence for the foreseeable future, and accordingly continue to adopt the going concern basis of accounting in preparing these financial statements.

Financial Year

The company finished the year in a surplus position; this was an improvement against the approved budget.

The Council of Management are proposing for approval at the annual general meeting that the fee structure for the training period commencing 1 August 2025 be as follows:

(a) that a company sending a learner to the centre and having that learner with S W Durham Training Limited will, providing the learner is eligible for full funding, not be charged whilst full funding is still available for that learner and they are aged 16-18 at the start of their framework. If the learner is not eligible for full funding, the sponsoring company will pay the difference between full funding and that received;

(b) that companies will pay fees for their learner to attend work based learning and further education subsequent to completion of apprenticeships framework.

Fund Raising Activities

The trustees confirm that the charity does not engage in significant fundraising activities and no material fundraising took place during the financial year.

COUNCIL OF MANAGEMENT

No fees have been paid to any Member of the Council of Management nor does any such member have any beneficial interest.

Governing document

S W Durham Training Limited is a company limited by guarantee, incorporated in the United Kingdom and a registered charity. The charitable company is governed by its Memorandum and Articles of Association, as amended at the extraordinary general meeting of 17 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new council members

Council members, who are also trustees and directors of the charitable company, can appoint any nominated member to act until the next Annual General Meeting at which time they are eligible for re-election.

Organisational structure

The council members can meet as many times as they see fit, but generally they meet every three months. Decisions will be made by a majority vote with the Chairperson having the casting vote. Day to day management of the charitable company is delegated to the General Manager.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2025

Induction and training of new council members

New council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, recent financial performance and future plans. They are introduced to key employees and other council members. Council members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

Details of key management remuneration, which is set by the council having regard to the recommendations of the remuneration committee of the parent Bishop Auckland College, are set out in note 8 to the financial statements.

Investment powers

The council members may invest any monies in any manner authorised by law for the investment of such funds.

Restrictions imposed

No paid employee or person in receipt of fees or any other remuneration from the charitable company may be a council member. However, any council member engaged by the charitable company in any profession will be entitled to be paid for any work done for the charitable company.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00918178

Registered Charity number

518211

Registered office

Durham Way South
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham, DL5 6AT

Trustees

Keith Ivory (Chair)
Shaun Hope
James Robson
David Bell
Bobby Taylor

The trustees, who constitute the Council of Management, are also the directors of the company for the purposes of the Companies Act 2006.

Chief Executive Officer

None

Executive Director

Jonathan Hall

Company Secretary

Lynn Heighton

Auditors

Armstrong Watson
First Floor, One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Solicitors

Muckle LLP
Time Central, 32 Gallowgate
NEWCASTLE UPON TYNE
NE1 4BF

Bankers

Barclays Bank Plc
PO Box 378, 71 Grey Street
NEWCASTLE UPON TYNE
NE99 1JP

CHAIRMAN'S STATEMENT

On behalf of the Council of Management, may I take this opportunity to thank all members of staff of S W Durham Training Limited for their continued support and dedication to the success of the charitable company. I would also like to take this opportunity to thank all our Member Companies for their high level of support during the year.

This has been a challenging year for S W Durham Training dealing many challenges in the changing landscape of education since the pandemic; despite the challenges we have seen some growth in apprenticeship numbers.



Keith Ivory
Chair

Date: 18th December 2025

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2025**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of S. W. Durham Training Limited 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 SORP;
- 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, Armstrong Watson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 18th December 2025 and signed on its behalf by:



.....
Keith Ivory – Trustee

**Report of the Independent Auditors to the Members of
S. W. Durham Training Limited**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED

Opinion

We have audited the financial statements of S. W. Durham Training Limited (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of financial activities, the Balance sheet, 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.

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 including the Strategic 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 21 (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 obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with 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 Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.


Simon Turner (Dec 19, 2025 08:26:34 GMT)

Simon Turner (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors
Newcastle

Date: 19/12/2025

S. W. Durham Training Limited

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

		Unrestricted		2025 Restricted	2024 Total
		fund	funds	funds	Total
	Notes	£	£	£	funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Income from activities and services	3	1,301,022	-	1,301,022	1,596,953
Investment income	2	13,410	-	13,410	13,108
Income from gain on disposals	4	<u>2,750</u>	<u>-</u>	<u>2,750</u>	<u> </u>
Total		1,317,182	-	1,317,182	1,610,061
 EXPENDITURE ON					
Charitable activities					
Charitable expenditure	5	1,311,973	126,603	1,438,576	1,367,019
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)		5,209	(126,603)	(121,394)	243,042
 RECONCILIATION OF FUNDS					
Total funds brought forward		1,951,724	1,215,664	3,167,388	2,924,346
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u>1,956,933</u>	<u>1,089,061</u>	<u>3,045,994</u>	<u>3,167,388</u>


S. W. Durham Training Limited

**Balance Sheet
31 July 2025**

		Unrestricted fund £	Total funds £	2025 Restricted funds £	2024 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	11	1,112,761	1,089,061	2,201,822	2,324,243
CURRENT ASSETS					
Debtors	12	303,228	-	303,228	371,263
Cash at bank		<u>709,823</u>	<u>-</u>	<u>709,823</u>	<u>684,433</u>
		1,013,051	-	1,013,051	1,055,696
CREDITORS					
Amounts falling due within one year	13	(168,879)	-	(168,879)	(212,554)
		<u>844,172</u>	<u>-</u>	<u>844,172</u>	<u>843,142</u>
NET CURRENT ASSETS					
		<u>844,172</u>	<u>-</u>	<u>844,172</u>	<u>843,142</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,956,933</u>	<u>1,089,061</u>	<u>3,045,994</u>	<u>3,167,385</u>
NET ASSETS					
		<u><u>1,956,933</u></u>	<u><u>1,089,061</u></u>	<u><u>3,045,994</u></u>	<u><u>3,167,385</u></u>
FUNDS					
	15			1,956,933	1,951,721
Unrestricted funds				<u>1,089,061</u>	<u>1,215,664</u>
Restricted funds					
TOTAL FUNDS					
				<u><u>3,045,994</u></u>	<u><u>3,167,385</u></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 18th December 2025. and were signed on its behalf by:



.....
Keith Ivory – Chair

S. W. Durham Training Limited

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

That the company is limited by guarantee, S.W Durham Training, Durham Way South, Aycliffe Business Park, Newton Aycliffe, Co. Durham, DL5 6AT which qualifies as a public benefit entity under FRS 102, have been prepared in accordance with the *Charities SORP (FRS 102), as amended*, the *Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)*, and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain assets.

In accordance with Paragraph 3(3) of Schedule 4 of the Companies Act, the charitable company has adapted the statutory formats to reflect the special nature of its activities.

The financial statements are prepared in sterling (£).

Going Concern

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate. If the company is unable to continue to operate, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse both fixed assets and long term liabilities as current assets and liabilities.

The charity had total funds of £3.046m as at 31 July 2025 (increase of £3.167m from 31 July 2024). Budgets and cash flow forecasts have been updated to factor in the expected reduction in income and a worst case scenario has been used to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

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 costs 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.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Debtors

Debtors are recognised at the amount due to the charity. Prepayments and other amounts receivable are included at cost less any provision for impairment where recovery is considered doubtful.

Cash at Bank and in Hand

Cash at bank and in hand includes cash held in current accounts, deposit accounts and any short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party. They are measured at their settlement amount, being the amount, the charity expects to pay to settle the liability

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land & buildings	- 4% on cost and 2% on cost
Plant, machinery, fixtures & equipment	- 20% on cost, 16.67% on cost, 10% on cost and 4% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% on cost and 33%-50% on cost

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions group entities.

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

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a funded group pension plan arrangement, whereby it makes contributions directly to each individual employees' pension plan. Contributions paid are included in the period to which they relate.

Irrecoverable vat

The charity was partially exempt for VAT purposes for the period ended 31 July 2025. Irrecoverable VAT has been included in the Statement of Financial Activities during the period within support costs.

Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Financial Instruments

The charitable company 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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy.

S. W. Durham Training Limited

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

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Bank interest	<u>13,410</u>	<u>-</u>	<u>13,410</u>	<u>13,108</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025 £	2024 £
Apprentices & youth/adult training	Income from activities and services	1,263,283	1,577,424
Course fees	Income from activities and services	<u>37,739</u>	<u>19,528</u>
		1,301,022	1,596,952

4. GAINS ON DISPOSAL OF FIXED ASSET

	2,750	-
--	-------	---

5 CHARITABLE ACTIVITIES COST

Direct Costs £	Support Costs (See note 6) £	Totals £
825,683	612,893	1,483,576

6 SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable expenditure	<u>612,893</u>	<u>-</u>	<u>612,893</u>

S. W. Durham Training Limited

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

Support costs, included in the above, are as follows:

Management

	2025 Charitable expenditure activities £	2024 Total £
Wages & salaries	15,159	14,233
Social security	2,106	1,757
Pensions	1,073	832
Advertising & publicity	8,781	21,534
General expenses	12,760	12,810
Irrecoverable VAT	34,816	38,556
Operating and maintenance costs	147,655	135,732
College recharges	190,000	190,000
Depreciation of tangible and heritage assets	<u>200,543</u>	<u>155,327</u>
	<u>612,893</u>	<u>570,781</u>

Governance costs

	2025 Total activities £	2024 Total activities £
Auditors' remuneration	-	29,280
Accountancy and legal fees	<u>-</u>	<u>4,517</u>
	<u>-</u>	<u>33,797</u>

7. NET INCOME/(EXPENDITURE)

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

	2025 £	2024 £
Auditors' remuneration	-	29,280
Depreciation – owned assets	200,543	155,327
Operating leases	<u>-</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no emoluments for their services to the charitable company (2025: £Nil).

Trustees' expenses

Trustees' expenses totalling £Nil were reimbursed during the year 2024/25 (2023/24 £nil)

9. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	510,352	465,456
Social security costs	52,254	43,160
Other pension costs	64,716	55,277
	<u>627,322</u>	<u>563,893</u>

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

	2025	2024
Training	8	8
Administration	<u>4</u>	<u>4</u>
	<u>12</u>	<u>12</u>

Key management comprise the General Manager. Remuneration of key management during the year was £51,253 including £7,290 pension contributions (2024: £46,518 including pension contributions of £6,683).

Zero employees received emoluments in excess of £60,000 (2024: Nil).

S. W. Durham Training Limited
Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Total funds £	Restricted funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Income from activities and services	1,301,022	-	1,301,022
Investment income	13,410	-	13,410
Gain on disposal	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Total	1,317,182	-	1,317,182
 EXPENDITURE ON			
Charitable activities			
Charitable expenditure	1,311,973	126,603	1,438,576
	<u>1,311,973</u>	<u>126,603</u>	<u>1,438,576</u>
NET INCOME/(EXPENDITURE)	5,209	(126,603)	(121,394)
 RECONCILIATION OF FUNDS			
Total funds brought forward	1,582,079	1,342,267	2,924,346
	<u>1,582,079</u>	<u>1,342,267</u>	<u>2,924,346</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,587,288</u>	<u>1,215,664</u>	<u>2,802,952</u>

S. W. Durham Training Limited
Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

11. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2024	4,812,771	3,869,591	42,984	713,397	9,438,743
Additions	-	71,593	-	-	71,593
Disposal	-	(4,000)	-	-	(4,000)
At 31 July 25	<u>4,812,771</u>	<u>3,937,184</u>	<u>42,984</u>	<u>713,397</u>	<u>9,506,336</u>
DEPRECIATION					
At 1 August 2024	3,300,633	3,057,486	42,984	713,397	7,114,500
Charge for year	82,705	117,841	-	-	200,546
Disposal	-	(4,000)	-	-	(4,000)
At 31 July 2025	<u>3,383,338</u>	<u>3,171,327</u>	<u>42,984</u>	<u>713,397</u>	<u>7,311,046</u>
NET BOOK VALUE					
At 31 July 2025	<u>1,429,433</u>	<u>765,857</u>	<u>-</u>	<u>-</u>	<u>2,195,290</u>
At 31 July 2024	<u>1,512,913</u>	<u>812,105</u>	<u>-</u>	<u>-</u>	<u>2,324,243</u>

Included in cost or valuation of land and buildings is freehold land of £300,000 (2024: £300,000) which is not depreciated. Freehold land was revalued as at 31 July 2014 by the trustees supported by an independent valuation. On transition to FRS102 the freehold land is held at deemed cost.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	-	7,547
Amounts owed by group undertakings	-	-
Prepayments and accrued income	<u>303,227</u>	<u>363,715</u>
	<u>303,227</u>	<u>371,262</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	4,191	14,065
Other creditors	-	26,998
Amounts owed to group undertakings	58,159	40,647
Social security and other taxes	11,168	22,814
Deferred income	58,515	41,663
Accruals	<u>36,847</u>	<u>66,367</u>
	168,880	212,553

S. W. Durham Training Limited
Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

Deferred Income

Balance at 1 August 2024	(41,663)
Amount received and accrued in the year	1,334,034
Balance at 31 July 2025	<u>58,515</u>
Amount released to incoming resources	<u><u>1,350,885</u></u>

Deferred income relates to 16-19 programme funding income received and not earned. This funding will be subject to clawback.

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	-	-
Between one and five years	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

15. MOVEMENT IN FUNDS

	At 01.08.24 £	Net movement in funds £	At 31.07.25 £
Unrestricted funds			
General fund	1,962,142	5,209	1,956,933
Restricted funds			
The Core	962,458	(126,603)	1,089,061
TOTAL FUNDS	<u>2,924,600</u>	<u>(121,394)</u>	<u>3,045,994</u>

S. W. Durham Training Limited

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

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,317,182	(1,311,973)	5,209
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,317,182</u>	<u>(1,438,576)</u>	<u>(121,394)</u>

Comparatives for movement in funds

	At 01.08.23 £	Net movement in funds £	At 31.07.24 £
Unrestricted funds			
General fund	1,582,079	369,645	1,951,724
Restricted funds			
The Core	1,342,267	(126,603)	1,215,664
	<u>2,924,346</u>	<u>243,042</u>	<u>3,167,388</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,610,061	(1,240,416)	369,645
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,610,061</u>	<u>(1,367,019)</u>	<u>243,042</u>

S. W. Durham Training Limited

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

15. MOVEMENT IN FUNDS - continued

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

	At 01.08.23 £	Net movement in funds £	At 31.07.25 £
Unrestricted funds			
General fund	1,582,079	374,854	1,956,933
Restricted funds			
The Core	1,342,267	(253,206)	1,089,061
	-----	-----	-----
TOTAL FUNDS	<u>2,924,346</u>	<u>121,648</u>	<u>3,045,994</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	2,927,243	(2,552,389)	374,854
Restricted funds			
The Core	-	(253,206)	(253,206)
	-----	-----	-----
TOTAL FUNDS	<u>2,927,243</u>	<u>(2,805,595)</u>	<u>121,6448</u>

Unrestricted funds: These funds represent unrestricted resources available for the general work of the charitable company.

The Core:

This is funds from Durham County Council for the creation of the advanced manufacturing facility known as The Core (Creating Opportunities, Realising Excellence).

16. PENSION COSTS

The charity operates a defined contribution pension scheme for eligible employees. Pension contributions are charged to the Statement of Financial Activities (SoFA) in the year in which they are payable.

The total pension costs recognised in the (SoFA) for the year was £52,254

At the year end, outstanding pension contributions of £2,519 were due to the scheme and are included within creditors.

17 ULTIMATE PARENT COMPANY

The ultimate parent company is Bishop Auckland College, a college of further education incorporated in the United Kingdom, which is the sole member of the charity. The consolidated accounts can be obtained from the college at Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ.

18. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2024 or 2025.

19. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of the exemption under FRS102 not to disclose transactions with UK parent company.

20. MEMBERS

The liability of the members of the charitable company is limited by guarantee and such liability does not exceed £10 per member.

S. W. Durham Training Limited

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

	2025	2024
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Bank interest	13,410	13,108
Charitable activities		
Apprentices & youth/adult training	1,263,283	1,577,424
Course fees	37,739	19,528
Gain on disposal	2,750	-
	1,317,182	1,596,952
EXPENDITURE		
Charitable activities		
Wages and salaries	510,352	465,456
Social security	52,254	43,161
Pensions	64,716	55,277
Course & workshop expenses	169,080	151,128
Administration & monitoring	29,281	47,419
	825,683	762,441
Support costs Management		
Wages & salaries	15,159	14,233
Social security	2,106	1,757
Pensions	1,073	832
Advertising & publicity	8,781	21,534
General expenses	12,760	12,810
Irrecoverable VAT	34,816	38,556
Operating and maintenance costs	147,655	135,732
College recharges	190,000	190,000
Depreciation of tangible and heritage assets	200,543	155,327
	612,893	570,781
Governance costs		
Auditors' remuneration	-	14,400
Accountancy and legal fees	-	6,020
	-	20,420
Total resources expended	1,438,576	1,202,862
Net expenditure	(121,394)	394,090



S. W. Durham Training Limited

Report of the Trustees and

Financial Statements

for the Year Ended 31 July 2025



Registered Company Number: 00918178
Registered Charity Number: 518211

S. W. Durham Training Limited

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for the Year Ended 31 July 2025**

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S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2025

Trustees' Report

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the financial statements of the charity for the year ended 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)

Objective and Activities

The objective of S W Durham Training Limited is to provide high quality training services and to promote a culture of lifelong learning. The charity aims to meet the ongoing needs of individuals and the business community, maximise potential, secure employment opportunities, and contribute to wealth creation within the region.

Achievement and Performance

During the year, the charitable company has continued to expand and deliver full time training for young people and adults in the engineering sector. It provides high quality vocational training by:

- Providing practical and technical skills required to succeed in the engineering and manufacture industries
- Maximising the potential of learners
- Delivering bespoke and innovative training to meet the needs of the local industrial employer.

Public Benefit

The trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

S W Durham Training Limited provides clear public benefit by delivering high quality training and education that supports individuals in gaining skills, qualifications, and employment. The charity's work is closely aligned with local priorities for the North of England, and particularly County Durham, where economic regeneration, skills development, and employment opportunities are critical to supporting communities. Our activities benefit:

- Young people and adults in County Durham – by offering apprenticeship frameworks, full time training, and lifelong learning opportunities that improve employability and career prospects in sectors identified as regional growth priorities, such as advanced manufacturing and engineering.
- Local employers and the regional economy – by supplying a skilled workforce to meet business needs, supporting productivity, and contributing to County Durham's economic development strategies.
- The wider community – by promoting a culture of learning, raising aspirations, and helping individuals maximise their potential, thereby addressing social mobility challenges and supporting inclusive growth across the North East.

Through these activities, the charity advances education, supports regional skills strategies, and contributes to the creation of jobs and wealth in County Durham and the wider North of England, delivering tangible public benefit in line with its charitable objectives.

**Report of the Trustees
for the Year Ended 31 July 2025**

FINANCIAL REVIEW

Personnel

The average number of employees throughout the period 2024/25 was 18 (2023/24: 12 FTE).

Reserves policy

The Council of Management consider the charitable company requires reserves to:

- ensure that the current activities of the charitable company would be able to continue in the event of a change or significant drop in the level of funding;
- allow the Council to react quickly to the training needs of the manufacturing and service industries in our area;
- enable the charitable company to continue to invest in fixed assets and maintain the freehold property in a high state of repair.

In order to be prepared for these eventualities target reserves equating to 6 months of cash expenditure, excluding Group recharges, are deemed appropriate; £500k. The Reserves Policy will be reviewed and approved annually by the Council.

The Council has reviewed the level of free reserves held, which currently stand at £874,605 (2024: £843,142), and considers this is adequate to ensure the continued operation of the charitable company. South West Durham Training is forecast to return to a surplus position in the current year 2025/26 and through 2026/27 continuing to grow reserves.

Monthly management accounts are prepared to enable the Council to monitor the level of reserves on a timely basis.

Going concern

It is considered appropriate to adopt the going concern basis of accounting in preparing these financial statements, as the Corporation has a reasonable expectation that SWDT will continue to operate for a period significantly longer than the statutory twelve months from the date of approval.

For the year ended 31 July 2025, SWDT reported a deficit of £84k compared with a forecast deficit of £150k (or £121k after capital grant adjustments). During the year, investment was made in staffing and resources to strengthen the foundations for future growth and to support the achievement of long term financial sustainability.

As reported during the year, growth funding was initially calculated on actuals. The Department for Education subsequently revised the methodology, capping growth funding at £100k and committing to pay 50%, subject to reconciliation. In September 2025, the Department released a further payment to SWDT as part of growth funding, which improved the financial outturn for the year ended 31 July 2025 and is reflected in these financial statements.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2025

Looking forward, SWDT is forecasting a surplus position for 2025/26 (before the inter company transfer), supported by the growth in 16–18 learner numbers achieved in 2024/25, which will continue to be funded into 2025/26, albeit at a reduced level.

On this basis, the trustees have a reasonable expectation that SWDT has adequate resources to continue in operational existence for the foreseeable future, and accordingly continue to adopt the going concern basis of accounting in preparing these financial statements.

Financial Year

The company finished the year in a surplus position; this was an improvement against the approved budget.

The Council of Management are proposing for approval at the annual general meeting that the fee structure for the training period commencing 1 August 2025 be as follows:

(a) that a company sending a learner to the centre and having that learner with S W Durham Training Limited will, providing the learner is eligible for full funding, not be charged whilst full funding is still available for that learner and they are aged 16-18 at the start of their framework. If the learner is not eligible for full funding, the sponsoring company will pay the difference between full funding and that received;

(b) that companies will pay fees for their learner to attend work based learning and further education subsequent to completion of apprenticeships framework.

Fund Raising Activities

The trustees confirm that the charity does not engage in significant fundraising activities and no material fundraising took place during the financial year.

COUNCIL OF MANAGEMENT

No fees have been paid to any Member of the Council of Management nor does any such member have any beneficial interest.

Governing document

S W Durham Training Limited is a company limited by guarantee, incorporated in the United Kingdom and a registered charity. The charitable company is governed by its Memorandum and Articles of Association, as amended at the extraordinary general meeting of 17 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new council members

Council members, who are also trustees and directors of the charitable company, can appoint any nominated member to act until the next Annual General Meeting at which time they are eligible for re-election.

Organisational structure

The council members can meet as many times as they see fit, but generally they meet every three months. Decisions will be made by a majority vote with the Chairperson having the casting vote. Day to day management of the charitable company is delegated to the General Manager.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2025

Induction and training of new council members

New council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, recent financial performance and future plans. They are introduced to key employees and other council members. Council members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

Details of key management remuneration, which is set by the council having regard to the recommendations of the remuneration committee of the parent Bishop Auckland College, are set out in note 8 to the financial statements.

Investment powers

The council members may invest any monies in any manner authorised by law for the investment of such funds.

Restrictions imposed

No paid employee or person in receipt of fees or any other remuneration from the charitable company may be a council member. However, any council member engaged by the charitable company in any profession will be entitled to be paid for any work done for the charitable company.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00918178

Registered Charity number

518211

Registered office

Durham Way South
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham, DL5 6AT

Trustees

Keith Ivory (Chair)
Shaun Hope
James Robson
David Bell
Bobby Taylor

The trustees, who constitute the Council of Management, are also the directors of the company for the purposes of the Companies Act 2006.

Chief Executive Officer

None

Executive Director

Jonathan Hall

Company Secretary

Lynn Heighton

Auditors

Armstrong Watson
First Floor, One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Solicitors

Muckle LLP
Time Central, 32 Gallowgate
NEWCASTLE UPON TYNE
NE1 4BF

Bankers

Barclays Bank Plc
PO Box 378, 71 Grey Street
NEWCASTLE UPON TYNE
NE99 1JP

CHAIRMAN'S STATEMENT

On behalf of the Council of Management, may I take this opportunity to thank all members of staff of S W Durham Training Limited for their continued support and dedication to the success of the charitable company. I would also like to take this opportunity to thank all our Member Companies for their high level of support during the year.

This has been a challenging year for S W Durham Training dealing many challenges in the changing landscape of education since the pandemic; despite the challenges we have seen some growth in apprenticeship numbers.



Keith Ivory
Chair

Date: 18th December 2025

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2025**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of S. W. Durham Training Limited 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 SORP;
- 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, Armstrong Watson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 18th December 2025 and signed on its behalf by:



.....
Keith Ivory – Trustee

**Report of the Independent Auditors to the Members of
S. W. Durham Training Limited**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED

Opinion

We have audited the financial statements of S. W. Durham Training Limited (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of financial activities, the Balance sheet, 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.

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 including the Strategic 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 21 (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 obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with 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 Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.


Simon Turner (Dec 19, 2025 08:26:34 GMT)

Simon Turner (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors
Newcastle

Date: 19/12/2025

S. W. Durham Training Limited

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

		Unrestricted		2025 Restricted	2024 Total
		fund	funds	funds	Total
	Notes	£	£	£	funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Income from activities and services	3	1,301,022	-	1,301,022	1,596,953
Investment income	2	13,410	-	13,410	13,108
Income from gain on disposals	4	<u>2,750</u>	<u>-</u>	<u>2,750</u>	<u> </u>
Total		1,317,182	-	1,317,182	1,610,061
 EXPENDITURE ON					
Charitable activities					
Charitable expenditure	5	1,311,973	126,603	1,438,576	1,367,019
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)		5,209	(126,603)	(121,394)	243,042
 RECONCILIATION OF FUNDS					
Total funds brought forward		1,951,724	1,215,664	3,167,388	2,924,346
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u>1,956,933</u>	<u>1,089,061</u>	<u>3,045,994</u>	<u>3,167,388</u>

S. W. Durham Training Limited

**Balance Sheet
31 July 2025**

		Unrestricted fund £	Total funds £	2025 Restricted funds £	2024 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	11	1,112,761	1,089,061	2,201,822	2,324,243
CURRENT ASSETS					
Debtors	12	303,228	-	303,228	371,263
Cash at bank		<u>709,823</u>	<u>-</u>	<u>709,823</u>	<u>684,433</u>
		1,013,051	-	1,013,051	1,055,696
CREDITORS					
Amounts falling due within one year	13	(168,879)	-	(168,879)	(212,554)
		<u>844,172</u>	<u>-</u>	<u>844,172</u>	<u>843,142</u>
NET CURRENT ASSETS					
		<u>844,172</u>	<u>-</u>	<u>844,172</u>	<u>843,142</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,956,933</u>	<u>1,089,061</u>	<u>3,045,994</u>	<u>3,167,385</u>
NET ASSETS					
		<u><u>1,956,933</u></u>	<u><u>1,089,061</u></u>	<u><u>3,045,994</u></u>	<u><u>3,167,385</u></u>
FUNDS					
	15			1,956,933	1,951,721
Unrestricted funds				<u>1,089,061</u>	<u>1,215,664</u>
Restricted funds					
TOTAL FUNDS					
				<u><u>3,045,994</u></u>	<u><u>3,167,385</u></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 18th December 2025. and were signed on its behalf by:



.....
Keith Ivory – Chair

S. W. Durham Training Limited

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

That the company is limited by guarantee, S.W Durham Training, Durham Way South, Aycliffe Business Park, Newton Aycliffe, Co. Durham, DL5 6AT which qualifies as a public benefit entity under FRS 102, have been prepared in accordance with the *Charities SORP (FRS 102), as amended*, the *Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)*, and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain assets.

In accordance with Paragraph 3(3) of Schedule 4 of the Companies Act, the charitable company has adapted the statutory formats to reflect the special nature of its activities.

The financial statements are prepared in sterling (£).

Going Concern

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate. If the company is unable to continue to operate, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse both fixed assets and long term liabilities as current assets and liabilities.

The charity had total funds of £3.046m as at 31 July 2025 (increase of £3.167m from 31 July 2024). Budgets and cash flow forecasts have been updated to factor in the expected reduction in income and a worst case scenario has been used to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

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 costs 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.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Debtors

Debtors are recognised at the amount due to the charity. Prepayments and other amounts receivable are included at cost less any provision for impairment where recovery is considered doubtful.

Cash at Bank and in Hand

Cash at bank and in hand includes cash held in current accounts, deposit accounts and any short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party. They are measured at their settlement amount, being the amount, the charity expects to pay to settle the liability

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land & buildings	- 4% on cost and 2% on cost
Plant, machinery, fixtures & equipment	- 20% on cost, 16.67% on cost, 10% on cost and 4% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% on cost and 33%-50% on cost

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions group entities.

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

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a funded group pension plan arrangement, whereby it makes contributions directly to each individual employees' pension plan. Contributions paid are included in the period to which they relate.

Irrecoverable vat

The charity was partially exempt for VAT purposes for the period ended 31 July 2025. Irrecoverable VAT has been included in the Statement of Financial Activities during the period within support costs.

Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Financial Instruments

The charitable company 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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy.

S. W. Durham Training Limited

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

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Bank interest	<u>13,410</u>	<u>-</u>	<u>13,410</u>	<u>13,108</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025 £	2024 £
Apprentices & youth/adult training	Income from activities and services	1,263,283	1,577,424
Course fees	Income from activities and services	<u>37,739</u>	<u>19,528</u>
		1,301,022	1,596,952

4. GAINS ON DISPOSAL OF FIXED ASSET

	2,750	-
--	-------	---

5 CHARITABLE ACTIVITIES COST

Direct Costs £	Support Costs (See note 6) £	Totals £
825,683	612,893	1,483,576

6 SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable expenditure	<u>612,893</u>	<u>-</u>	<u>612,893</u>

S. W. Durham Training Limited

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

Support costs, included in the above, are as follows:

Management

	2025 Charitable expenditure activities £	2024 Total £
Wages & salaries	15,159	14,233
Social security	2,106	1,757
Pensions	1,073	832
Advertising & publicity	8,781	21,534
General expenses	12,760	12,810
Irrecoverable VAT	34,816	38,556
Operating and maintenance costs	147,655	135,732
College recharges	190,000	190,000
Depreciation of tangible and heritage assets	<u>200,543</u>	<u>155,327</u>
	<u>612,893</u>	<u>570,781</u>

Governance costs

	2025 Total activities £	2024 Total activities £
Auditors' remuneration	-	29,280
Accountancy and legal fees	<u>-</u>	<u>4,517</u>
	<u>-</u>	<u>33,797</u>

7. NET INCOME/(EXPENDITURE)

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

	2025 £	2024 £
Auditors' remuneration	-	29,280
Depreciation – owned assets	200,543	155,327
Operating leases	<u>-</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no emoluments for their services to the charitable company (2025: £Nil).

Trustees' expenses

Trustees' expenses totalling £Nil were reimbursed during the year 2024/25 (2023/24 £nil)

9. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	510,352	465,456
Social security costs	52,254	43,160
Other pension costs	64,716	55,277
	<u>627,322</u>	<u>563,893</u>

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

	2025	2024
Training	8	8
Administration	<u>4</u>	<u>4</u>
	<u>12</u>	<u>12</u>

Key management comprise the General Manager. Remuneration of key management during the year was £51,253 including £7,290 pension contributions (2024: £46,518 including pension contributions of £6,683).

Zero employees received emoluments in excess of £60,000 (2024: Nil).

S. W. Durham Training Limited
Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Total funds £	Restricted funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Income from activities and services	1,301,022	-	1,301,022
Investment income	13,410	-	13,410
Gain on disposal	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Total	1,317,182	-	1,317,182
 EXPENDITURE ON			
Charitable activities			
Charitable expenditure	1,311,973	126,603	1,438,576
	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	5,209	(126,603)	(121,394)
 RECONCILIATION OF FUNDS			
Total funds brought forward	1,582,079	1,342,267	2,924,346
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>1,587,288</u>	<u>1,215,664</u>	<u>2,802,952</u>

S. W. Durham Training Limited
Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

11. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2024	4,812,771	3,869,591	42,984	713,397	9,438,743
Additions	-	71,593	-	-	71,593
Disposal	-	(4,000)	-	-	(4,000)
At 31 July 25	<u>4,812,771</u>	<u>3,937,184</u>	<u>42,984</u>	<u>713,397</u>	<u>9,506,336</u>
DEPRECIATION					
At 1 August 2024	3,300,633	3,057,486	42,984	713,397	7,114,500
Charge for year	82,705	117,841	-	-	200,546
Disposal	-	(4,000)	-	-	(4,000)
At 31 July 2025	<u>3,383,338</u>	<u>3,171,327</u>	<u>42,984</u>	<u>713,397</u>	<u>7,311,046</u>
NET BOOK VALUE					
At 31 July 2025	<u>1,429,433</u>	<u>765,857</u>	<u>-</u>	<u>-</u>	<u>2,195,290</u>
At 31 July 2024	<u>1,512,913</u>	<u>812,105</u>	<u>-</u>	<u>-</u>	<u>2,324,243</u>

Included in cost or valuation of land and buildings is freehold land of £300,000 (2024: £300,000) which is not depreciated. Freehold land was revalued as at 31 July 2014 by the trustees supported by an independent valuation. On transition to FRS102 the freehold land is held at deemed cost.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	-	7,547
Amounts owed by group undertakings	-	-
Prepayments and accrued income	<u>303,227</u>	<u>363,715</u>
	<u>303,227</u>	<u>371,262</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	4,191	14,065
Other creditors	-	26,998
Amounts owed to group undertakings	58,159	40,647
Social security and other taxes	11,168	22,814
Deferred income	58,515	41,663
Accruals	<u>36,847</u>	<u>66,367</u>
	168,880	212,553

S. W. Durham Training Limited
Notes to the Financial Statements - continued
for the Year Ended 31 July 2025

Deferred Income

Balance at 1 August 2024	(41,663)
Amount received and accrued in the year	1,334,034
Balance at 31 July 2025	<u>58,515</u>
 Amount released to incoming resources	 <u><u>1,350,885</u></u>

Deferred income relates to 16-19 programme funding income received and not earned. This funding will be subject to clawback.

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	-	-
Between one and five years	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

15. MOVEMENT IN FUNDS

	At 01.08.24 £	Net movement in funds £	At 31.07.25 £
Unrestricted funds			
General fund	1,962,142	5,209	1,956,933
 Restricted funds			
The Core	962,458	(126,603)	1,089,061
TOTAL FUNDS	<u>2,924,600</u>	<u>(121,394)</u>	<u>3,045,994</u>
	<u><u>2,924,600</u></u>	<u><u>(121,394)</u></u>	<u><u>3,045,994</u></u>

S. W. Durham Training Limited

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

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,317,182	(1,311,973)	5,209
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,317,182</u>	<u>(1,438,576)</u>	<u>(121,394)</u>

Comparatives for movement in funds

	At 01.08.23 £	Net movement in funds £	At 31.07.24 £
Unrestricted funds			
General fund	1,582,079	369,645	1,951,724
Restricted funds			
The Core	1,342,267	(126,603)	1,215,664
	<u>2,924,346</u>	<u>243,042</u>	<u>3,167,388</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,610,061	(1,240,416)	369,645
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,610,061</u>	<u>(1,367,019)</u>	<u>243,042</u>

S. W. Durham Training Limited

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

15. MOVEMENT IN FUNDS - continued

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

	At 01.08.23 £	Net movement in funds £	At 31.07.25 £
Unrestricted funds			
General fund	1,582,079	374,854	1,956,933
Restricted funds			
The Core	1,342,267	(253,206)	1,089,061
	-----	-----	-----
TOTAL FUNDS	<u>2,924,346</u>	<u>121,648</u>	<u>3,045,994</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	2,927,243	(2,552,389)	374,854
Restricted funds			
The Core	-	(253,206)	(253,206)
	-----	-----	-----
TOTAL FUNDS	<u>2,927,243</u>	<u>(2,805,595)</u>	<u>121,6448</u>

Unrestricted funds: These funds represent unrestricted resources available for the general work of the charitable company.

The Core:

This is funds from Durham County Council for the creation of the advanced manufacturing facility known as The Core (Creating Opportunities, Realising Excellence).

16. PENSION COSTS

The charity operates a defined contribution pension scheme for eligible employees. Pension contributions are charged to the Statement of Financial Activities (SoFA) in the year in which they are payable.

The total pension costs recognised in the (SoFA) for the year was £52,254

At the year end, outstanding pension contributions of £2,519 were due to the scheme and are included within creditors.

17 ULTIMATE PARENT COMPANY

The ultimate parent company is Bishop Auckland College, a college of further education incorporated in the United Kingdom, which is the sole member of the charity. The consolidated accounts can be obtained from the college at Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ.

18. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2024 or 2025.

19. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of the exemption under FRS102 not to disclose transactions with UK parent company.

20. MEMBERS

The liability of the members of the charitable company is limited by guarantee and such liability does not exceed £10 per member.

S. W. Durham Training Limited

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

	2025	2024
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Bank interest	13,410	13,108
Charitable activities		
Apprentices & youth/adult training	1,263,283	1,577,424
Course fees	37,739	19,528
Gain on disposal	2,750	-
	1,317,182	1,596,952
Total incoming resources		
EXPENDITURE		
Charitable activities		
Wages and salaries	510,352	465,456
Social security	52,254	43,161
Pensions	64,716	55,277
Course & workshop expenses	169,080	151,128
Administration & monitoring	29,281	47,419
	825,683	762,441
Support costs Management		
Wages & salaries	15,159	14,233
Social security	2,106	1,757
Pensions	1,073	832
Advertising & publicity	8,781	21,534
General expenses	12,760	12,810
Irrecoverable VAT	34,816	38,556
Operating and maintenance costs	147,655	135,732
College recharges	190,000	190,000
Depreciation of tangible and heritage assets	200,543	155,327
	612,893	570,781
Governance costs		
Auditors' remuneration	-	14,400
Accountancy and legal fees	-	6,020
	-	20,420
Total resources expended	1,438,576	1,202,862
Net expenditure	(121,394)	394,090

Bishop Auckland College & South West Durham Training

Final Management and Governors' Report

For the year ended 31 July 2025

This document is strictly private and confidential

Scope and Limitations

This document is strictly confidential and although it has been made available to management to facilitate discussions, it may not be taken as altering our responsibilities under our audit engagement letter. The contents of this audit strategy memorandum should not be disclosed to third parties without our prior written consent. No responsibility to any third party is accepted as this memorandum has not been prepared for, and is not intended for, any other purpose



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Armstrong Watson Governors Limited is a limited company registered in England and Wales, number 84495656. The registered office is James Watson House, Montgomery Way, Rosehill, Carlisle, CA1 2UU.

1. INTRODUCTION

a. Purpose

This report has been prepared for the Governors of Bishop Auckland College and South West Durham Training (hereon "Bishop Auckland College Group") to bring attention to various matters arising from the audit of Bishop Auckland College Group for the period ended 31 July 2025.

b. Responsibilities

Details of the responsibilities of the Governors of Bishop Auckland College Group are set out in our engagement terms dated 31 August 2022.

Armstrong Watson Audit Limited, as auditor to Bishop Auckland College Group is responsible for forming an opinion on the financial statements. Details of our responsibilities are set out in our engagement terms. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

c. Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included the examination of the transactions and the controls thereon of Bishop Auckland College Group. The International Standards on Auditing (UK) do not require us to design audit procedures for the purpose of identifying supplementary matters to communicate with those charged with governance.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This report is to be regarded as confidential to the Governors of Bishop Auckland College Group is intended for use by them and staff of Bishop Auckland College Group only. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this report, or any part of it, is disclosed to a third party our written consent must be obtained.

d. Independence

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that there are no relationships between us and any of our related or subsidiary companies and you and your related entities creating an actual or perceived threat to our independence within the regulatory or professional requirements governing us as your auditors.

We provide the below other services permitted by the College Accounts Direction 2024-25.

- Teachers' Pension EOYC assurance
- Turing grant application assurance

The above are assurance services which do not directly impact the financial statements. Therefore we do not believe that there are any threats to our independence as a result of us completing these engagements.

2. AUDIT RISK AREAS

a. Significant Audit Risks

Significant audit risks highlighted in our Audit Strategy:

Significant risk	Our response	Findings
<p>Income recognition including income entitlement</p> <p>There is a presumed fraud risk over income prescribed by the auditing standards. This means there is an inherent fraud risk that management may misstate income to present a preferential position to stakeholders. We have not rebutted this risk.</p>	<p>We have agreed income from DfE, local authorities and other income sources to remittances and assessed its recognition against the relevant criteria. For other streams of income, we have agreed these back to source documentation and ensured recognition is in accordance with FRS 102.</p> <p>We have performed controls and sample testing over the student enrolment process and ongoing monitoring to gain assurance that where income is claimed, the right to that income exists through the conditions of that funding being met.</p> <p>We have tested whether the ILR returns reflect the information in the student records system.</p> <p>We have performed cut-off testing to gain assurance that income is recognised in the correct accounting period.</p> <p>Deferred capital grant releases have been tested via comparison to their related asset useful lives.</p>	<p>No issues noted with the current testing. All income streams tested have been reconciled to the amounts recognised within a trivial difference.</p> <p>No issues have been noted from the ILR submission testing, with all learners selected for testing having appropriate documentation completed and criteria met for income to be recognised.</p> <p>No issues have been noted during testing of income included within deferred and accrued income at the year end.</p>
<p>Management Override</p> <p>There is a presumed fraud risk with regards management override and intervention prescribed by the auditing standards. This means there is an inherent fraud risk that management may misstate results to present a preferential position to stakeholders.</p>	<p>We have reviewed systems and processes to identify potential areas of management override risk.</p> <p>We have tested a sample of manual journals to gain assurance over the risk of management override of controls.</p>	<p>No issues with regards to potential management bias were identified from our review of areas of judgement and estimation.</p> <p>Journals tested covering risk areas have been reviewed and appear to be posted within expectations and do not indicate management override of controls.</p>

b. Key Audit Focus Areas

Key audit focus areas highlighted in our Audit Strategy:

Key area of focus	Our response	Findings
<p>Regularity and value for money</p> <p>Regularity and value for money are always a priority of the DfE and as such they expect auditors in the sector to place a focus on these areas.</p> <p>We are also required to issue a distinct regularity opinion in addition to our opinion on the financial statements. As such, we must ensure that we gain assurance over these areas in order to support this opinion.</p> <p>The requirement to assess regularity and value for money extends to the College's subsidiary company as well as the College itself</p>	<p>We have incorporated both substantive and controls testing around key transition processes, particular expenditure / procurement, into our audit approach.</p> <p>We have considered DfE requirements in respect of the utilisation of specific grants.</p> <p>We have reviewed the regularity questionnaire prepared by management and corroborate the responses.</p> <p>We have reviewed governance and regularity systems and processes to gain assurance that they are designed effectively and implemented as documented.</p>	<p>No issues noted when completing regularity and value for money testing.</p> <p>Review of policy and governing documents do not show any indication of noncompliance with regulatory requirements.</p> <p>We have found the college to obtain value for money through the tendering process.</p>

Key area of focus	Our response	Findings
<p>Going concern Due to the historic deficits reported by the Group, going concern has been highlighted as a heightened risk area.</p>	<p>We have reviewed budgets and forecasts prepared by management, including cash flow forecast, for the relevant assessment period for going concern. This is no less than 12 months from the date of signing the accounts.</p> <p>We have reviewed management's assessment of going concern, which is subject to Audit Committee approval. We have reviewed and challenged the assumptions upon which it is based. This has included a stress test over the figures included in the calculations.</p> <p>We have considered student recruitment for the 2025/26 academic year, and the impact of this recruitment on the funding to be received for the early part of 26/27, which falls into the assessment period.</p>	<p>We have reviewed management's assessment of going concern and concur that that this is the correct basis on which the accounts should be prepared.</p> <p>We note forecasted improvements to the financial health of the college following the repayment of the loan, and improvement in EBITDA.</p>
<p>Defined Benefit Pension Scheme The valuation of the liabilities is based on a range of actuarial assumptions and judgements, therefore there is the risk of material misstatement or manipulation through potential management bias.</p>	<p>We have obtained the actuarial reports for the local government pension scheme and agreed the information within to that presented within the accounts.</p> <p>We have reviewed the assumptions utilised in the calculation of the defined benefit pension (unrecognised) asset.</p> <p>We have reviewed the competence of the actuary with reference to their professional credentials and experience.</p> <p>We have reviewed management's assessment of the likelihood of the inflow of economic benefits as a result of the current asset position.</p>	<p>In benchmarking the key assumptions driving the pension obligation we have identified no indicators of misstatement.</p> <p>The pension continues to be in an asset position. We have reviewed management's assessment, actuarial report and asset ceiling calculation and concur with management that not recognising the asset is the correct treatment.</p>

Key area of focus	Our response	Findings
<p>Deferred Grants</p> <p>The release of deferred grants are incorrect, or that deferred grants are continued to be held on the balance sheet incorrectly.</p>	<p>We have tested deferred grants to ensure that they have been correctly classified.</p> <p>We have substantively tested transactions in the year to ensure that the relevant criteria have been met.</p> <p>We have performed cut-off testing to gain assurance that grant income has been recognised in the correct accounting period.</p>	<p>No issues with regards to the recognition, classification and accounting treatment of Deferred Grants have been identified from our testing.</p>

c. Additional Risks Identified

We have not identified any additional risks during the audit process and therefore we have not had to amend our planned audit procedures.

3. SUMMARY OF ADJUSTMENTS

a. Late Adjustments (following receipt of information)

Management have identified the below year end accounting adjustments. These have been approved and posted to the nominal ledger in the year to 31 July 2025 and therefore they are recognised in the profit reconciliation from the opening position as presented at the start of the audit work.

Bishop Auckland College:

	£'000
College Total Comprehensive Income per first drafts	826
Pension Adjustment	(99)
Total Comprehensive Income per latest accounts	<u>727</u>

b. Unadjusted Audit Differences

The following audit differences have been identified which remain unadjusted:

Bishop Auckland College:

As at the date of preparation of the report, we have identified no unadjusted audit differences.

South West Durham Training:

As at the date of preparation of the report, we have identified no unadjusted audit differences.

4. AUDIT FINDINGS

a. Matters to bring to your attention

Defined benefit pension asset non-recognition

Due to changes in key assumptions, and particularly the rate at which future liabilities are discounted, there has been a significant swing in the value of the Durham County Council Local Government Pension Scheme, such that the colleges are seeing a net position of an asset in 2025 (consistent with the prior year).

As discussed in Section 2, we have reviewed the assumptions used to arrive at this valuation and are comfortable with them.

The movement in the asset surplus from £1.97m to £5.49m is driven by changes in the following assumptions, used in calculating the value of pension deficit:

- -0.1% change in CPI inflation to 2.5%
- -0.1% change in salaries increase to 3.5%
- -0.1% change in pensions in payment/deferment to 2.5%

The discount rate has increased by 0.8% to 5.8%.

Understanding these assumptions, particularly the discount rate, is essential to understanding the pension fund surplus. As part of our audit testing, we have considered the assumptions used in the preparation of the pension fund estimate for other relevant entities, and summarised the findings in the tables below:

Assumption	Bishop Auckland	College 1	College 2	College 3	Range	0.1% increase in assumption	0.1% decrease in assumption
CPI Inflation	2.5	2.5	2.8	2.5	0.3	<i>Not disclosed in the actuarial report</i>	
Increase in salaries	3.5	3.75	3.55	4.00	0.5	£30k increase in liability	£30k decrease in liability
Discount rate	5.8	5.8	5.8	5.9	0.1	£290k decrease in liability	£310k increase in liability

In line with the previous financial period, the college instructed their actuary to prepare the above figures on the basis that no surplus would be recognised in the year to 31 July 2025. Despite the actuary report showing a net pensions asset, Bishop Auckland College have opted to apply an asset ceiling to this figure and instead recognise the pension as nil. Following our detailed review of the pension report and assumptions, we believe this to be the appropriate treatment.

5. INTERNAL CONTROLS

a. Significant Deficiencies in Internal Controls

We have not identified any significant deficiencies in the internal controls. However please refer to the section below for recommendations on improvements in internal systems identified during the course of the audit.

b. Systems Improvements

These controls have been assessed on the following basis:

Recommendation Rating / Colour	Definition
Red Priority	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
Amber Priority	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Green Priority	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.
Improved System Potential	Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

Observation	Risk Arising	Recommended Actions	Management Response
Red Priority			
None noted			
Amber Priority			
None noted			
Green Priority			
None noted			
Improved System Potential			
None noted			

c. Observations brought forward

Observation – 2024	Risk Arising	Recommended Actions	Outcome – 2025
Amber Priority			
A number of missed accruals as the year end were noted across Bishop Auckland College and S.W. Durham Training	The risk is that expenditure is allocated against the wrong year, creating discrepancies between income receipted, and expenditure incurred.	Our recommendation would be to implement a clear cut-off policy at year end to ensure that expenditure is captured in the correct year.	In the audit of the financial statements to 31 July 2025, we have noted no errors above triviality in relation to missed liabilities at the year end.

6. AUDIT CONCLUSIONS

a. Significant Difficulties Encountered During the Audit

No significant difficulties were encountered during the audit. We would like to thank all Members of staff - especially Lynn, Bev, Katie, James & Craig - for their assistance throughout the engagement. In particular we would like to thank all for the quality and promptness of the provision of information, and active engagement with our queries and the audit process.

b. Written Representations

A Letter of Representation for the financial statements and Regularity audit will be signed on behalf of the Governors prior to the audited accounts being issued. Please note this will be issued separately to the Final Management and Governors' Report.

c. Audit Opinion

We anticipate that we will issue an unmodified audit report on the financial statements of Bishop Auckland College Group, subject to the Governors approving the accounts as presented to us.

We anticipate that we will issue an unmodified assurance report on regularity to Bishop Auckland College Group, subject to the Governors approving the accounts as presented to us.

d. Acknowledgement of Final Report

We acknowledge receipt of the final management report on behalf of those charged with governance

Signed: 

Name **Mo Dixon**

Position: **Chair of Board**

Date: **18/12/2025**

7. Feedback

At Armstrong Watson, we have a 'Crazy Goal' to 'be the best accounting and financial advisory firm to deal with, delivering the best client experience in the United Kingdom'. In helping us on our journey to achieve the Crazy Goal, it would be very helpful to hear your feedback on how this year's audit has gone for you. If you are willing to, we would like to briefly discuss your feedback at the audit close meeting.

For each of the statements below, we would like to hear your grading.

Statement	Your grading
The timings, logistics and required deliverables of the audit were clearly communicated in advance.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
The audit was conducted in a courteous and professional manner.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
The disruption of daily activities was minimised as much as possible during the audit.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
The audit testing met our expectations in terms of the balance of scrutiny and efficiency.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
Progress and issues arising during the audit fieldwork were clearly communicated.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
The Final Management Report was clearly written and relevant.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
The team are responsive to questions raised during the year.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree
The team proactively inform us of relevant upcoming issues and solutions during the course of the year. We would recommend Armstrong Watson to other similar organisations.	a) Strongly Agree b) Agree c) Neither Agree Nor Disagree d) Disagree e) Strongly Disagree

Finally, if there is one thing that you could change about the audit, what would it be?

APPENDIX 1

a. Cyber & Data Protection

We would like to bring to your attention some recent developments in this important area.

It is clear from recent well publicised cyber-attacks on UK entities that data breaches are of a major concern and risk to companies both financially and reputationally.

Most companies are data controllers under the Data Protection Act (2018) which was applicable in the UK from May 2018. Whilst this is over five years ago, a company's responsibility remains to have all appropriate protocols and procedures in place, demonstrating that your risks continue to be appropriately managed and regularly reviewed and that your outsourced activities are similarly covered.

We recommend you consider regularly reviewing and if necessary, refreshing existing cyber security policies, procedures and checklists. In addition, updating your Risk Register for the methodology you use to ensure your company's protocols are sufficiently robust in this area. These should be kept under regular review. Raise awareness and train staff. The most common types of breaches can be linked to human factors, such as unwittingly clicking on a malicious link. Staff awareness and vigilance are essential to a business' cyber security alongside any technical and software protections. Raising awareness and education across all staff - not just specialist IT staff - is essential.

On the next page are the ten steps to cyber security as issued by the National Cyber Security Centre




10 Steps to Cyber Security

Defining and committing your Board's Information Risk Regime is central to your organisation's overall cyber security strategy. The National Cyber Security Centre recommends you make this explicit – together with the other associated security goals described below, in order to protect your business against the reality of cyber attacks.





Network Security
Protect your network from attack. Define the network perimeter; flag out unauthorised access and malicious content. Monitor and test security controls.



User education and awareness
Produce user security policies covering acceptable and secure use of your systems, include in staff training. Maintain awareness of cyber risks.



Malware prevention
Produce relevant policies and stricter anti-malware defences across your organisation.



Removable media controls
Produce a policy to control all access to removable media. Limit media types and use. Ban all media for release before inserting onto the corporate system.



Secure configuration
Apply security patches and ensure the secure configuration of all systems is maintained. Create a system inventory and define a baseline build for all devices.



Managing user privileges
Establish explicit management processes and limit the number of privileged accounts. Limit user privileges and monitor user activity. Control access to activity and audit logs.



Incident management
Establish an incident response and disaster recovery capability. Test your incident management plans. Provide specialist training. Report criminal incidents to law enforcement.



Monitoring
Establish a monitoring strategy and produce supporting policies. Continuously monitor all systems and networks. Analyse logs for unusual activity that could indicate an attack.



Home and mobile working
Develop a mobile working policy and train staff to adhere to it. Apply the secure baseline and build it all devices. Protect data both in transit and at rest.

For more information go to www.ncsc.gov.uk

b. Upcoming changes to FRS102

Following consultations under exposure draft (FRED82) in March 2024 a revised FRS102 was issued.

There are a number of extensive changes to update the standard to align it more closely with International Financial Reporting Standards (IFRS). The changes apply to accounting periods commencing 1 January 2026 onwards.

The main changes include:

Revenue

A new model for revenue recognition is now mandated.

This model is based on the five step model for revenue recognition in IFRS15 with a small number of simplifications.

Revenue will be largely recognised based on promises included in contracts with customers and whether these are satisfied over time or at a point in time.

This may mean that revenue will be recognised in a different accounting period to which it is now.

Leasing

A new on-balance sheet model has been adopted. This model is based on the IFRS16 leasing requirements with a small number of simplifications.

Lessees with significant operating leases will be the most affected by the new arrangements as most leased assets and lease liabilities will come onto the balance sheet.

Exceptions are available for small value leases and for short term leases (those with a lease term of 12 months and under at commencement)

There is no monetary limit stated in the standard in determining what are small value leases.

The disclosures under the new standard are significantly more extensive both in volume and complexity.

There is not much of an impact on lessors.

Other

Following Brexit, there has been changes to disclosures for small companies. Disclosures in Appendix E to section 1A, which currently are encouraged, will become

mandatory. This means that full related party disclosures and dividend notes will be required again.

The revisions will affect accounting periods commencing on 1st January 2026 although early adoption will be permitted if all changes to the standard are applied at the same time.

c. Holiday pay entitlement reforms

The UK government has introduced reforms to simplify holiday entitlement and holiday pay calculations. These changes, effective from 1 January 2024, include:

1. **Defining irregular hours workers and part-year workers:** This relates to the introduction of the holiday entitlement accrual method and rolled-up holiday pay.
2. **Calculating statutory holiday entitlement for irregular hours and part-year workers:** A method has been introduced to determine holiday entitlement for these workers.
3. **Accrued leave calculation:** When irregular hour or part-year workers take maternity or family-related leave or are off sick, a method is used to calculate their accrued leave.
4. **Removal of COVID-19 carryover accrual:** The Working Time (Coronavirus) (Amendment) Regulations 2020, which affected COVID-19 carryover of leave, have been removed.
5. **Holiday pay rates:** The current rates remain unchanged, with 4 weeks paid at the normal rate of pay and 1.6 weeks paid at the basic rate of pay. Two distinct pots of leave are retained.
6. **Definition of 'normal remuneration':** This is clarified in relation to the 4 weeks of statutory annual leave.
7. **Rolled-up holiday pay:** An alternative method for calculating holiday pay for irregular hours workers and part-year workers.

Calculating holiday pay for irregular workers and part-year workers

What is an irregular worker?

A worker is an irregular hours worker, in relation to a leave year, if the number of paid hours that they will work in each pay period during the term of their contract in that year is, under the terms of their contract, wholly or mostly variable. This could be a 'casual' contract or a zero hours contract.

What is a part-year worker?

A worker is a part-year worker, in relation to a leave year, if, under the terms of their contract, they are required to work only part of that year and there are periods within that year (during the term of the contract) of at least a week which they are not required to work and for which they are not paid. This includes part-year workers who may have fixed hours.

What is the change in calculating holiday pay?

For leave years beginning on or after 1 April 2024, there is a new accrual method for irregular hour workers and part-year workers in the first year of employment and beyond. Holiday entitlement for these workers will be calculated as 12.07% of actual hours worked in a pay period.

Worked example:

Mr Watson works 70 hours in May 2024.

1. Divide the hours worked in that pay period by 100 - $70/100 = 0.70$
2. Multiply by 12.07% - $0.70 \times 12.07 = 8.449$
3. Round up to the nearest hour – 9 hours of holiday accrued for the month of May

Changes to maternity or family related leave or off sick leave

Leave is accrued in these instances using the same method outlined above, but using a 52 week relevant period to calculate an average for hours worked. This 52 week period works backwards from the first date of leave. The employer is only required to calculate this one per period of leave.

Worked example:

Mrs Watson is a part-year worker who is entitled to the minimum 5.6 weeks statutory holiday entitlement. Over a 52 week period, she worked 25 weeks for a total of 900 hours. She then took the following 40 weeks as maternity leave:

1. Calculate average hours per week during the relevant 52 week period leading up to the first day of maternity leave – 52 weeks – 5.6 holiday pay = 46.4 weeks.
 - $900 \text{ hours} / 46.4 \text{ weeks} = 19.397 \text{ hours (3dp)}$
2. Calculate the number of hours of annual leave accrued per week of the maternity period
 - $19.397 / 100 \times 12.07\% = 2.341$
3. Calculate the total number of hours of annual leave accrued whilst on maternity
 - $2.341 \times 40 \text{ weeks} = 93.64$

In this example Mrs Watson would have 94 hours holiday entitlement accrued under the new rules.

Holiday pay rates

Regulation 13 of the Working Time Regulations now states that 4 of the 5.6 weeks paid statutory holiday entitlement for the year must be paid at a worker's 'normal' rate of pay. The remaining 1.6 weeks' can be paid at 'basic' rate of pay.

From 1 January 2024, 'Normal rate' of pay is defined as:

- Payments, including commission payments, intrinsically linked to the performance of tasks which a worker is contractually obliged to carry out.
- Payments relating to length of service, professional status or professional qualifications.
- Other payments, such as overtime payments, which have regularly been paid to a worker in the 52 weeks preceding the calculation date.

Basic pay = a workers wages that they would have earned had they been working (not including bonuses, commission and other additional payments).

For leave years beginning on or after 1 April 2024, part-year and irregular hours workers are legally entitled up to a maximum amount of 5.6 weeks of paid statutory holiday entitlement per year, calculated according to actual hours worked using the 12.07% accrual method. If their employer chooses to use rolled-up holiday pay, then the entire amount of their leave for irregular hours and part-year workers will be paid at the 'normal' rate of pay.

Rolled-up holiday pay for irregular hour and part-year workers only

Employers have an option which allows them to include an additional amount with every payslip to cover a worker's holiday pay, rather than paying it whilst the worker is on annual leave.

This can only be used on leave years beginning on or after 1 April 2024.

Holiday pay is still calculated using the 12.07% based on a workers total pay in a pay period. If employers want to opt to use this method, they will need to revisit contracts of employment and their HR team to ensure that variations are made where required. Holiday pay will also need to be separated out on a worker's payslip, and paid at the same time as their normal pay.

d. Companies House reform

The Economic Crime and Corporate Transparency Act 2023 received royal assent on 26 October 2023.

Whilst the bill gave Companies House more powers over verification and correction of information and introduced new identity identification protocols the main effect for companies is the requirement for small and micro companies to produce and file a profit and loss account with Companies House.

The timescales for this are unclear as it needs secondary legislation to be passed to actually implement the measures. It is again unclear whether the filed profit and loss account will be viewable by the public as the legislation passes the decision to decide to a minister at a later date.

The ability to file filleted or abridged accounts has been removed but again at a future undetermined date.

Companies House can mandate the electronic filing of all accounts but there is no date set for this to be implemented.

d. Economic Crime and Transparency Act 2023 – Failure to prevent

The act became law on 26 October 2023. Some parts of the Act are still to be enacted.

One of them is a new 'failure to prevent' offence

Organisations will be held criminally liable where a person associated with it (including employees, agents and subsidiaries) commits a fraud intending to benefit the organisation and it does not have reasonable procedures in place to prevent the fraud.

The offence will apply to all large organisations including:

- Companies
- Partnerships
- Not for profit organisations
- Incorporated public bodies

Organisations are large if they meet 2 out of 3 of the following:

- More than 250 employees
- More than £36 million turnover
- More than £18 million total assets

Types of offences that could be committed

- False accounting
- False representation
- Failure to disclose information
- False statements by company directors amongst others

What are reasonable procedures to prevent fraud?

- The government is to publish guidance.
- The offence will then come into force.
- There will be a transition period but its length is unknown.
- The penalty is an unlimited fine.

Organisations should now consider if they are within its scope prior to its introduction and prepare themselves to implement when it's start date is known.

S W DURHAM TRAINING LIMITED

England & Wales - Charity number 518211

Accounts

S. W. Durham Training Limited
Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2024



Registered Company Number: 00918178
Registered Charity Number: 518211

S. W. Durham Training Limited
Contents of the Financial Statements
for the Year Ended 31 July 2024

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S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2024

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 year ended 31 July 2024. 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

Charitable objectives

It is the objective of S W Durham Training Limited to provide a high-quality training service and promote a lifetime of learning culture to meet the ongoing needs of individuals and the business community, to maximise potential, to secure jobs and create wealth for the region.

ACHIEVEMENT AND PERFORMANCE

The charitable company continues to develop and deliver full time training for young people and adults in the engineering sector, apprentice frameworks and bespoke/commercial training programmes to local and regional organisations, providing lifelong learning opportunities within manufacturing, engineering and commercial sectors.

FINANCIAL REVIEW

Personnel

The average number of employees throughout the period 2023/24 was 12 (2022/23: 14).

Reserves policy

The Council of Management consider the charitable company requires reserves to:

- ensure that the current activities of the charitable company would be able to continue in the event of a change or significant drop in the level of funding;
- allow the Council to react quickly to the training needs of the manufacturing and service industries in our area;
- enable the charitable company to continue to invest in fixed assets and maintain the freehold property in a high state of repair.

In order to be prepared for these eventualities target reserves equating to 6 months of cash expenditure, excluding Group recharges, are deemed appropriate; £500k. The Reserves Policy will be reviewed and approved annually by the Council.

The Council has reviewed the level of free reserves held, which currently stand at £843,142 (2023: £840,748), and considers this is adequate to ensure the continued operation of the charitable company. South West Durham Training is forecast to return to a surplus position in the current year 2024/25 and through 2025/26 continuing to grow reserves.

Monthly management accounts are prepared to enable the Council to monitor the level of reserves on a timely basis.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2024

FINANCIAL REVIEW

Going concern

It is considered appropriate to adopt the going concern basis of accounting in preparing these financial statements, on the basis that the company has the ability to continue to operate for a significantly longer period than the statutory twelve months from the date of approval.

The 2023/24 financial statements see the company move from a £2k loss to a £243K gain (£43k loss before capital grants recognised in full). SWDT has seen significant growth in 16-18 numbers in 2024/25 year and the quarter 1 forecast projects a £135k surplus for the 2024/25 year. Detailed cash flow forecasts have been prepared which show that SWDT is forecast to have a positive cash position for at least 24 months from the date of signing these financial statements.

Financial Year

The company finished the year in a surplus position; this was an improvement against the approved budget.

The Council of Management are proposing for approval at the annual general meeting that the fee structure for the training period commencing 1 August 2024 be as follows:

(a) that a company sending a learner to the centre and having that learner with S W Durham Training Limited will, providing the learner is eligible for full funding, not be charged whilst full funding is still available for that learner and they are aged 16-18 at the start of their framework. If the learner is not eligible for full funding, the sponsoring company will pay the difference between full funding and that received;

(b) that companies will pay fees for their learner to attend work based learning and further education subsequent to completion of apprenticeships framework.

COUNCIL OF MANAGEMENT

No fees have been paid to any Member of the Council of Management nor does any such member have any beneficial interest.

Governing document

S W Durham Training Limited is a company limited by guarantee, incorporated in the United Kingdom and a registered charity. The charitable company is governed by its Memorandum and Articles of Association, as amended at the extraordinary general meeting of 17 October 2014.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new council members

Council members, who are also trustees and directors of the charitable company, can appoint any nominated member to act until the next Annual General Meeting at which time they are eligible for re-election.

Organisational structure

The council members can meet as many times as they see fit, but generally they meet every three months. Decisions will be made by a majority vote with the Chairperson having the casting vote. Day to day management of the charitable company is delegated to the General Manager.

Induction and training of new council members

New council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, recent financial performance and future plans. They are introduced to key employees and other council members. Council members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

Details of key management remuneration, which is set by the council having regard to the recommendations of the remuneration committee of the parent Bishop Auckland College, are set out in note 8 to the financial statements.

Investment powers

The council members may invest any monies in any manner authorised by law for the investment of such funds.

Restrictions imposed

No paid employee or person in receipt of fees or any other remuneration from the charitable company may be a council member. However, any council member engaged by the charitable company in any profession will be entitled to be paid for any work done for the charitable company.

Public benefit

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The council members have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The charitable company's activities in providing training for young people benefit the learners themselves as well as employers and the wider community, providing opportunities to learners and contributing to the creation of jobs and wealth for the North East.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00918178

Registered Charity number

518211

Registered office

Durham Way South
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham, DL5 6AT

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2024

Trustees

Keith Ivory (Chair)
Shaun Hope (Joined 5th February 2024)
James Robson
David Bell
Bobby Taylor
Natalie Davison-Terranova (Left 31st December 2023)

The trustees, who constitute the Council of Management, are also the directors of the company for the purposes of the Companies Act 2006.

Chief Executive Officer

None

Executive Director

Jonathan Hall

Company Secretary

Lynn Heighton

Auditors

Armstrong Watson
First Floor
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Solicitors

Muckle LLP
Time Central
32 Gallowgate
NEWCASTLE UPON TYNE
NE1 4BF

Bankers

Barclays Bank Plc
PO Box 378
71 Grey Street
NEWCASTLE UPON TYNE
NE99 1JP

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2024**

CHAIRMAN'S STATEMENT

On behalf of the Council of Management, may I take this opportunity to thank all members of staff of S W Durham Training Limited for their continued support and dedication to the success of the charitable company. I would also like to take this opportunity to thank all our Member Companies for their high level of support during the year.

This has been a challenging year for S W Durham Training dealing many challenges in the changing landscape of education since the pandemic; despite the challenges we have seen some growth in apprenticeship numbers.

Keith Ivory
Chair



Date : 18th December 2024

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of S. W. Durham Training Limited 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 SORP;
- 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, Armstrong Watson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 18th December 2024 and signed on its behalf by:



.....
Keith Ivory – Trustee

**Report of the Independent Auditors to the Members of
S. W. Durham Training Limited**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED

Opinion

We have audited the financial statements of S. W. Durham 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED **(Continued)**

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 including the Strategic 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 5 (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 obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED (Continued)

- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with 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 Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.



Simon Turner (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited

22 - 12 - 2024

Chartered Accountants & Statutory Auditors

S. W. Durham Training Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2024**

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Income from activities and services	3	1,596,953		1,596,953	1,200,754
Investment income	2	<u>13,108</u>	-	<u>13,108</u>	-
Total		1,610,061	-	1,610,061	1,200,754
 EXPENDITURE ON					
Charitable activities					
Charitable expenditure	4	1,240,416	126,603	1,367,019	1,202,862
NET INCOME/(EXPENDITURE)		369,645	(126,603)	243,042	(2,108)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,582,079</u>	<u>1,342,267</u>	<u>2,924,346</u>	<u>2,926,454</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,951,724</u></u>	<u><u>1,215,664</u></u>	<u><u>3,167,388</u></u>	<u><u>2,924,346</u></u>

S. W. Durham Training Limited

**Balance Sheet
31 July 2024**

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	10	1,108,579	1,215,664	2,324,243	2,083,597
CURRENT ASSETS					
Debtors	11	371,263	-	371,263	271,789
Cash at bank		<u>684,433</u>	<u>-</u>	<u>684,433</u>	<u>1,098,340</u>
		1,055,696	-	1,055,696	1,370,129
CREDITORS					
Amounts falling due within one year	12	(212,554)	-	(212,554)	(529,381)
		<u>843,142</u>	<u>-</u>	<u>843,142</u>	<u>840,748</u>
NET CURRENT ASSETS					
		<u>843,142</u>	<u>-</u>	<u>843,142</u>	<u>840,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,951,721	1,215,664	3,167,385	2,924,346
		<u>1,951,721</u>	<u>1,215,664</u>	<u>3,167,385</u>	<u>2,924,346</u>
NET ASSETS					
		<u>1,951,721</u>	<u>1,215,664</u>	<u>3,167,385</u>	<u>2,924,346</u>
FUNDS	14				
Unrestricted funds				1,951,721	1,582,079
Restricted funds				<u>1,215,664</u>	<u>1,342,267</u>
TOTAL FUNDS				<u>3,167,385</u>	<u>2,924,346</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 18th December 2024 and were signed on its behalf by:



.....
Keith Ivory – Chair

S. W. Durham Training Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

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.

The charitable company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling (£).

Going Concern

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate. If the company is unable to continue to operate, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse both fixed assets and long term liabilities as current assets and liabilities.

The charity had total funds of £3.167m as at 31 July 2024 (increase of £2.924m from 31 July 2023). Budgets and cash flow forecasts have been updated to factor in the expected reduction in income and a worst case scenario has been used to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

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 costs 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.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

S. W. Durham Training Limited

**Notes to the Financial Statements - Continued
for the Year Ended 31 July 2024**

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land & buildings	- 4% on cost and 2% on cost
Plant, machinery, fixtures & equipment	- 20% on cost, 16.67% on cost, 10% on cost and 4% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% on cost and 33%-50% on cost

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions group entities.

S. W. Durham Training Limited

Notes to the Financial Statements - continued for the Year Ended 31 July 2024

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a funded group pension plan arrangement, whereby it makes contributions directly to each individual employees' pension plan. Contributions paid are included in the period to which they relate.

Irrecoverable vat

The charity was partially exempt for VAT purposes for the period ended 31 July 2024. Irrecoverable VAT has been included in the Statement of Financial Activities during the period within support costs.

Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Financial Instruments

The charitable company 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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2024**

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Bank interest	<u>13,108</u>	<u> </u>	<u>13,108</u>	<u>-</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £	2023 £
Apprentices & youth/adult training	Income from activities and services	1,577,425	1,168,726
Course fees	Income from activities and services	<u>19,528</u>	<u>32,028</u>
		1,596,953	1,200,754

4. CHARITABLE ACTIVITIES COSTS

			2024	2023
Charitable expenditure	Direct Cost £	Support Costs (see note 5)	Totals £	Totals £
	762,441	604,578	1,367,019	1,202,862

5. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable expenditure	<u>570,781</u>	<u>33,797</u>	<u>604,578</u>

Support costs, included in the above, are as follows:

Management

	2024 Charitable expenditure £	2023 Total activities £
Wages & salaries	14,233	13,373
Social security	1,757	1,561
Pensions	832	958
Advertising & publicity	21,534	2,779
General expenses	12,810	8,187
Irrecoverable VAT	38,556	23,707
Operating and maintenance costs	135,732	135,972
College recharges	190,000	190,000
Depreciation of tangible and heritage assets	<u>155,327</u>	<u>103,256</u>
	<u>570,781</u>	<u>479,793</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2024**

5. SUPPORT COSTS - continued
Governance costs

	2024 Total activities £	2023 Total activities £
Auditors' remuneration	29,280	14,400
Accountancy and legal fees	<u>4,517</u>	<u>6,021</u>
	<u>33,797</u>	<u>20,421</u>

6. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Auditors' remuneration	29,820	14,400
Depreciation – owned assets	155,327	103,256
Operating leases	<u>-</u>	<u>-</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no emoluments for their services to the charitable company (2023: £Nil).

Trustees' expenses

Trustees' expenses totalling £Nil were reimbursed during the year (2023: £Nil).

8. STAFF COSTS

	2024 £	2023 £
Wages and salaries	465,456	448,734
Social security costs	43,160	38,355
Other pension costs	55,277	52,340
	<u>563,893</u>	539,429

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

	2024	2023
Training	8	9
Administration	<u>4</u>	<u>5</u>
	<u>12</u>	<u>14</u>

Key management comprise the General Manager. Remuneration of key management during the year was £46,518 including £6,863 pension contributions (2023: £46,961 including pension contributions of £Nil).

Zero employees received emoluments in excess of £60,000 (2023: Nil).

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2024**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Income from activities and services	1,200,754	-	1,200,754
Investment income	-	-	-
Total	1,200,754	-	1,200,754
EXPENDITURE ON			
Charitable activities			
Charitable expenditure	1,076,259	126,603	1,202,862
NET INCOME/(EXPENDITURE)	124,495	(126,603)	(2,108)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,457,584	1,468,870	2,926,454
TOTAL FUNDS CARRIED FORWARD	<u>1,582,079</u>	<u>1,342,267</u>	<u>2,924,346</u>

10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2023	4,804,380	3,482,010	42,984	713,397	9,042,771
Additions	8391	387,581	-	-	395,972
At 31 July 24	<u>4,812,771</u>	<u>3,869,591</u>	<u>42,984</u>	<u>713,397</u>	<u>9,438,743</u>
DEPRECIATION					
At 1 August 2023	3,245,467	2,957,326	42,984	713,397	6,959,174
Charge for year	55,166	100,160	-	-	155,326
At 31 July 2024	<u>3,300,633</u>	<u>3,057,486</u>	<u>42,984</u>	<u>713,397</u>	<u>7,114,500</u>
NET BOOK VALUE					
At 31 July 2024	<u>1,512,138</u>	<u>812,105</u>	<u>-</u>	<u>-</u>	<u>2,324,243</u>
At 31 July 2023	<u>1,512,913</u>	<u>524,684</u>	<u>-</u>	<u>-</u>	<u>2,083,597</u>

Included in cost or valuation of land and buildings is freehold land of £300,000 (2023: £300,000) which is not depreciated. Freehold land was revalued as at 31 July 2014 by the trustees supported by an independent valuation. On transition to FRS102 the freehold land is held at deemed cost.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2024**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	7,547	9,445
Amounts owed by group undertakings	-	-
Prepayments and accrued income	<u>363,71</u>	<u>262,344</u>
	<u>371,263</u>	<u>271,789</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	14,065	61,608
Other creditors	26,998	20,820
Amounts owed to group undertakings	40,647	24,732
Social security and other taxes	22,814	16,759
Deferred income	41,663	299,402
Accruals	<u>66,367</u>	<u>106,060</u>
	212,554	529,381

Deferred Income

Balance at 1 August 2023		(299,402)
Amount received and accrued in the year		1,612,169
Balance at 31 July 2024		<u>41,663</u>
Amount released to incoming resources		<u>1,094,583</u>

Deferred income relates to 16-19 programme funding income received and not earned. This funding will be subject to clawback.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	-	-
Between one and five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

14. MOVEMENT IN FUNDS

	At 01.08.23	Net movement in funds	At 31.07.24
	£	£	£
Unrestricted funds			
General fund	1,582,079	369,645	1,951,724
Restricted funds			
The Core	1,342,267	(126,603)	1,215,664
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>2,926,346</u>	<u>243,042</u>	<u>3,167,388</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2024**

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,610,061	(1,240,416)	369,645
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,610,061</u>	<u>(1,367,019)</u>	<u>243,042</u>
TOTAL FUNDS			

Comparatives for movement in funds

	At 01.08.22 £	Net movement in funds £	At 31.07.23 £
Unrestricted funds			
General fund	1,457,584	124,495	1,582,079
Restricted funds			
The Core	1,468,870	(126,603)	1,342,267
	<u>2,926,454</u>	<u>(2,108)</u>	<u>2,924,346</u>
TOTAL FUNDS			

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,200,754	(1,076,259)	124,495
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,200,754</u>	<u>(1,202,862)</u>	<u>(2,108)</u>
TOTAL FUNDS			

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2024**

14. MOVEMENT IN FUNDS - continued

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

	At 01.08.22 £	Net movement in funds £	At 31.07.24 £
Unrestricted funds			
General fund	1,457,584	494,140	1,951,724
Restricted funds			
The Core	1,468,870	(253,206)	1,215,664
	2,926,454	240,934	3,167,388
TOTAL FUNDS	<u>2,926,454</u>	<u>240,934</u>	<u>3,167,388</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	2,810,815	(2,316,675)	494,140
Restricted funds			
The Core	-	(253,206)	(253,206)
	2,810,815	(2,569,881)	240,934
TOTAL FUNDS	<u>2,810,815</u>	<u>(2,569,881)</u>	<u>240,934</u>

Unrestricted funds: These funds represent unrestricted resources available for the general work of the charitable company.

The Core:

This is funds from Durham County Council for the creation of the advanced manufacturing facility known as The Core (Creating Opportunities, Realising Excellence).

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Bishop Auckland College, a college of further education incorporated in the United Kingdom, which is the sole member of the charity. The consolidated accounts can be obtained from the college at Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ.

S. W. Durham Training Limited

**Notes to the Financial Statements continued
for the Year Ended 31 July 2024**

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2023 or 2024.

17. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of the exemption under FRS102 not to disclose transactions with UK parent company.

18. MEMBERS

The liability of the members of the charitable company is limited by guarantee and such liability does not exceed £10 per member.

S. W. Durham Training Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 July 2024**

	2024	2023
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Bank interest	13,108	-
Charitable activities		
Apprentices & youth/adult training	1,577,424	1,168,726
Course fees	19,528	32,028
	<u>1,596,952</u>	<u>1,200,754</u>
Total incoming resources	1,610,060	1,200,754
 EXPENDITURE		
Charitable activities		
Wages and salaries	465,456	448,733
Social security	43,161	38,354
Pensions	55,277	52,339
Course & workshop expenses	151,128	139,946
Administration & monitoring	<u>47,419</u>	<u>23,277</u>
	762,441	702,649
Support costs Management		
Wages & salaries	14,233	13,373
Social security	1,757	1,560
Pensions	832	957
Advertising & publicity	21,534	2,778
General expenses	12,810	8,186
Irrecoverable VAT	38,556	23,706
Operating and maintenance costs	135,732	135,972
College recharges	190,000	190,000
Depreciation of tangible and heritage assets	<u>155,327</u>	<u>103,256</u>
	570,781	479,788
Governance costs		
Auditors' remuneration	29,280	14,400
Accountancy and legal fees	<u>4,517</u>	<u>6,020</u>
	<u>33,797</u>	<u>20,420</u>
Total resources expended	<u>1,367,019</u>	<u>1,202,862</u>
Net expenditure	<u><u>243,042</u></u>	<u><u>(2,108)</u></u>

S W DURHAM TRAINING LIMITED

England & Wales - Charity number 518211

Accounts

REGISTERED COMPANY NUMBER: 00918178
REGISTERED CHARITY NUMBER: 518211

S. W. Durham Training Limited
Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2023

S. W. Durham Training Limited

**Contents of the Financial Statements
for the Year Ended 31 July 2023**

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Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 to 24
Detailed Statement of Financial Activities	25

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2023

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 year ended 31 July 2023. 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

Charitable objectives

It is the objective of S W Durham Training Limited to provide a high quality training service and promote a lifetime of learning culture to meet the ongoing needs of individuals and the business community, to maximise potential, to secure jobs and create wealth for the region.

ACHIEVEMENT AND PERFORMANCE

The charitable company continues to develop and deliver full time training for young people and adults in the engineering sector, apprentice frameworks and bespoke/commercial training programmes to local and regional organisations, providing lifelong learning opportunities within manufacturing, engineering and commercial sectors.

FINANCIAL REVIEW

Personnel

The average number of employees throughout the period 2022/23 was 14 (2021/22: 18).

Reserves policy

The Council of Management consider the charitable company requires reserves to:

- ensure that the current activities of the charitable company would be able to continue in the event of a change or significant drop in the level of funding;
- allow the Council to react quickly to the training needs of the manufacturing and service industries in our area;
- enable the charitable company to continue to invest in fixed assets and maintain the freehold property in a high state of repair.

In order to be prepared for these eventualities target reserves equating to 6 months of cash expenditure, excluding Group recharges, are deemed appropriate; £500k. The Reserves Policy will be reviewed and approved annually by the Council.

The Council has reviewed the level of free reserves held, which currently stand at £840,748 (2022: £846,767), and considers this is adequate to ensure the continued operation of the charitable company. South West Durham Training is forecast to return to a surplus position in the current year 23/24 and through 24/25 continuing to grow reserves.

Monthly management accounts are prepared to enable the Council to monitor the level of reserves on a timely basis.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2023

FINANCIAL REVIEW

Going concern

It is considered appropriate to adopt the going concern basis of accounting in preparing these financial statements, on the basis that the company has the ability to continue to operate for a significantly longer period than the statutory twelve months from the date of approval.

The 2022/23 financial statements see the company move from a £109k loss to a £2k loss and improvement of £107k. A cautious approach has been taken to the preparation of the 2024/25 financial plan showing reduction in income streams that may be affected by the cost of living crisis, particularly 16-19 programme funding and commercial. The 2022/23 final outturn position shows SWDT to be in a deficit position, work will continue to reduce the deficit position and bring the organisation back to a break even or surplus position for the year 2023/24.

Detailed cash flow forecasts have been prepared which show that SWDT is expected to have a positive cash position for at least 24 months from the date of signing these financial statements

Financial Year

The company finished the year in a deficit position; this was a decline against the approved budget.

The Council of Management are proposing for approval at the annual general meeting that the fee structure for the training period commencing 1 August 2023 be as follows:

(a) that a company sending a learner to the centre and having that learner with S W Durham Training Limited will, providing the learner is eligible for full funding, not be charged whilst full funding is still available for that learner and they are aged 16-18 at the start of their framework. If the learner is not eligible for full funding, the sponsoring company will pay the difference between full funding and that received;

(b) that companies will pay fees for their learner to attend work based learning and further education subsequent to completion of apprenticeships framework.

COUNCIL OF MANAGEMENT

No fees have been paid to any Member of the Council of Management nor does any such member have any beneficial interest.

Governing document

S W Durham Training Limited is a company limited by guarantee, incorporated in the United Kingdom and a registered charity. The charitable company is governed by its Memorandum and Articles of Association, as amended at the extraordinary general meeting of 17 October 2014.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new council members

Council members, who are also trustees and directors of the charitable company, can appoint any nominated member to act until the next Annual General Meeting at which time they are eligible for re-election.

Organisational structure

The council members can meet as many times as they see fit, but generally they meet every three months. Decisions will be made by a majority vote with the Chairperson having the casting vote. Day to day management of the charitable company is delegated to the General Manager.

Induction and training of new council members

New council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, recent financial performance and future plans. They are introduced to key employees and other council members. Council members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

Details of key management remuneration, which is set by the council having regard to the recommendations of the remuneration committee of the parent Bishop Auckland College, are set out in note 8 to the financial statements.

Investment powers

The council members may invest any monies in any manner authorised by law for the investment of such funds.

Restrictions imposed

No paid employee or person in receipt of fees or any other remuneration from the charitable company may be a council member. However, any council member engaged by the charitable company in any profession will be entitled to be paid for any work done for the charitable company.

Public benefit

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The council members have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The charitable company's activities in providing training for young people benefit the learners themselves as well as employers and the wider community, providing opportunities to learners and contributing to the creation of jobs and wealth for the North East.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00918178

Registered Charity number

518211

Registered office

Durham Way South
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham, DL5 6AT

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2023**

Trustees

Keith Ivory (Chair)
Natalie Davison-Terranova
Mark Henderson
James Robson
David Bell
Bobby Taylor

The trustees, who constitute the Council of Management, are also the directors of the company for the purposes of the Companies Act 2006.

Chief Executive Officer

None

General Manager

Jonathan Hall

Company Secretary

Lynn Heighton

Auditors

Armstrong Watson
Suite 15 & 17
11 Waterloo Street
Newcastle upon Tyne
NE1 4DP

Solicitors

Muckle LLP
Time Central
32 Gallowgate
NEWCASTLE UPON TYNE
NE1 4BF

Bankers

Barclays Bank Plc
PO Box 378
71 Grey Street
NEWCASTLE UPON TYNE
NE99 1JP

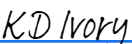
S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2023**

CHAIRMAN'S STATEMENT

On behalf of the Council of Management, may I take this opportunity to thank all members of staff of S W Durham Training Limited for their continued support and dedication to the success of the charitable company. I would also like to take this opportunity to thank all our Member Companies for their high level of support during the year. This has been a challenging year for S W Durham Training dealing with the lasting impact of the global pandemic and cost of living crisis; despite the challenges we have seen apprenticeship numbers continue to grow.

Apprenticeship numbers are very encouraging and are bucking the current trend seen across other parts of the country. New and existing employers are increasing their investment in training and have selected SWDT as their provider of choice. 16-19 Study Programmes have declined and this is again is the impact of the cost of living crisis where many young learner are choosing to get paid work rather than stay in full time education.


KD Ivory (Feb 29, 2024 14:02 GMT)

Keith Ivory
Chair

Date : 21st February 2024

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of S. W. Durham Training Limited 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 SORP;
- 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, Armstrong Watson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 21st February 2024 and signed on its behalf by:


KD Ivory (Feb 29, 2024 14:02 GMT)
.....
Keith Ivory – Trustee

**Report of the Independent Auditors to the Members of
S. W. Durham Training Limited**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED

Opinion

We have audited the financial statements of S. W. Durham 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.

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 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED
(Continued)**

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 including the Strategic 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED
(Continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 21 (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with 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 Auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED
(Continued)

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 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.



Simon Turner (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

29/02/2024

S. W. Durham Training Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Income from activities and services	3	1,200,754	-	1,200,754	1,187,630
Investment income	2	-	-	-	80
Total		1,200,754	-	1,200,754	1,187,710
 EXPENDITURE ON					
Charitable activities					
Charitable expenditure	4	1,076,259	126,603	1,202,862	1,296,687
NET INCOME/(EXPENDITURE)		124,495	(126,603)	(2,108)	(108,977)
 RECONCILIATION OF FUNDS					
Total funds brought forward		1,457,584	1,468,870	2,926,454	3,035,431
TOTAL FUNDS CARRIED FORWARD		<u>1,582,079</u>	<u>1,342,267</u>	<u>2,924,345</u>	<u>2,926,454</u>

S. W. Durham Training Limited

**Balance Sheet
31 July 2023**

		Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	10	741,330	1,342,267	2,083,597	2,079,687
CURRENT ASSETS					
Debtors	11	271,789	-	271,789	122,925
Cash at bank		<u>1,098,340</u>	<u>-</u>	<u>1,098,340</u>	<u>928,066</u>
		1,370,129	-	1,370,129	1,050,991
CREDITORS					
Amounts falling due within one year	12	(529,381)	-	(529,381)	(204,224)
NET CURRENT ASSETS		<u>840,748</u>	<u>-</u>	<u>840,748</u>	<u>846,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,582,078</u>	<u>1,342,267</u>	<u>2,924,345</u>	<u>2,926,454</u>
NET ASSETS		<u><u>1,582,078</u></u>	<u><u>1,342,267</u></u>	<u><u>2,924,345</u></u>	<u><u>2,926,454</u></u>
FUNDS	14				
Unrestricted funds				1,582,079	1,457,584
Restricted funds				<u>1,342,267</u>	<u>1,468,870</u>
TOTAL FUNDS				<u><u>2,924,346</u></u>	<u><u>2,926,454</u></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 21st February 2024. and were signed on its behalf by:

KD Ivory
KD Ivory (Feb 29, 2024 14:02 GMT)

 Keith Ivory – Chair

S. W. Durham Training Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

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.

The charitable company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling (£).

Going Concern

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate. If the company is unable to continue to operate, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse both fixed assets and long term liabilities as current assets and liabilities.

The charity had total funds of £2,924,345 as at 31 July 2023 (decrease of £2,108 from 31 July 2022). Budgets and cash flow forecasts have been updated to factor in the expected reduction in income and a worst case scenario has been used to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

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 costs 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.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

S. W. Durham Training Limited

Notes to the Financial Statements - Continued for the Year Ended 31 July 2023

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land & buildings	-	4% on cost and 2% on cost
Plant, machinery, fixtures & equipment	-	20% on cost, 16.67% on cost, 10% on cost and 4% on cost
Motor vehicles	-	25% on reducing balance
Computer equipment	-	50% on cost and 33%-50% on cost

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions group entities.

S. W. Durham Training Limited

Notes to the Financial Statements - continued for the Year Ended 31 July 2023

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a funded group pension plan arrangement, whereby it makes contributions directly to each individual employees' pension plan. Contributions paid are included in the period to which they relate.

Irrecoverable vat

The charity was partially exempt for VAT purposes for the period ended 31 July 2023. Irrecoverable VAT has been included in the Statement of Financial Activities during the period within support costs.

Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Financial Instruments

The charitable company 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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Bank interest	<u> </u>	<u> </u>	<u> -</u>	<u> 80</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Apprentices & youth/adult training	Income from activities and services	1,168,726	1,110,880
Course fees	Income from activities and services	<u>32,028</u>	<u>76,750</u>
		1,200,754	1,187,710

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable expenditure	<u>702,648</u>	<u>500,214</u>	<u>1,202,862</u>

5. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable expenditure	<u>479,793</u>	<u>20,421</u>	<u>500,214</u>

Support costs, included in the above, are as follows:

Management

	2023 Charitable expenditure £	2022 Total activities £
Wages & salaries	13,373	14,837
Social security	1,561	1,746
Pensions	958	1,377
Advertising & publicity	2,779	1,475
General expenses	8,187	8,480
Irrecoverable VAT	23,707	27,764
Operating and maintenance costs	135,972	104,258
College recharges	190,000	200,000
Depreciation of tangible and heritage assets	<u>103,256</u>	<u>105,736</u>
	<u>479,793</u>	<u>465,673</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

5. SUPPORT COSTS - continued

Governance costs

	2023	2022
	Total	Total
	activities	activities
	£	£
Auditors' remuneration	14,400	11,760
Accountancy and legal fees	<u>6,021</u>	<u>3,206</u>
	<u>20,421</u>	<u>14,965</u>

6. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration	14,400	11,760
Depreciation – owned assets	103,256	105,736
Operating leases	<u>-</u>	<u>8,439</u>
	<u>117,656</u>	<u>125,935</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no emoluments for their services to the charitable company (2022: £Nil).

Trustees' expenses

Trustees' expenses totalling £Nil were reimbursed during the year (2022: £Nil).

8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	448,734	534,344
Social security costs	38,355	44,636
Other pension costs	<u>52,340</u>	<u>58,838</u>
	<u>539,429</u>	<u>637,818</u>

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

	2022	2021
Training	9	13
Administration	<u>5</u>	<u>5</u>
	<u>14</u>	<u>18</u>

Key management comprise the General Manager. Remuneration of key management during the year was £40,429 including £6,532 pension contributions (2022: £Nil including pension contributions of £Nil).

Zero employees received emoluments in excess of £60,000 (2022: Nil).

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Income from activities and services	1,187,630	-	1,187,630
Investment income	<u>80</u>	<u>-</u>	<u>80</u>
Total	1,187,710	-	1,187,710
 EXPENDITURE ON			
Charitable activities			
Charitable expenditure	1,170,084	126,603	1,296,687
	<u>1,170,084</u>	<u>126,603</u>	<u>1,296,687</u>
NET INCOME/(EXPENDITURE)	17,626	(126,603)	(108,977)
 RECONCILIATION OF FUNDS			
Total funds brought forward	1,439,958	1,595,473	3,035,431
	<u>1,439,958</u>	<u>1,595,473</u>	<u>3,035,431</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,457,584</u></u>	<u><u>1,468,870</u></u>	<u><u>2,926,454</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2022	4,804,380	3,374,845	42,984	713,397	8,935,606
Additions	-	107,165	-	-	107,165
At 31 July 23	<u>4,804,380</u>	<u>3,482,010</u>	<u>42,984</u>	<u>713,397</u>	<u>9,042,771</u>
 DEPRECIATION					
At 1 August 2022	3,189,357	2,910,181	42,984	713,397	6,855,919
Charge for year	<u>56,110</u>	<u>47,145</u>	<u>-</u>	<u>-</u>	<u>103,255</u>
At 31 July 2023	<u>3,245,467</u>	<u>2,957,326</u>	<u>42,984</u>	<u>713,397</u>	<u>6,959,174</u>
 NET BOOK VALUE					
At 31 July 2023	<u><u>1,558,913</u></u>	<u><u>524,684</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,083,597</u></u>
At 31 July 2022	<u><u>1,615,023</u></u>	<u><u>464,664</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,079,687</u></u>

Included in cost or valuation of land and buildings is freehold land of £300,000 (2022: £300,000) which is not depreciated.

Freehold land was revalued as at 31 July 2014 by the trustees supported by an independent valuation. On transition to FRS102 the freehold land is held at deemed cost.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2023	2022
		£	£
Trade debtors		9,444	5,326
Amounts owed by group undertakings		-	-
Prepayments and accrued income		<u>262,343</u>	<u>117,599</u>
		<u>271,787</u>	<u>122,925</u>
12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2023	2022
		£	£
Trade creditors		61,608	23,505
Other creditors		20,820	20,841
Amounts owed to group undertakings		24,732	7,566
Social security and other taxes		16,759	25,738
Deferred income		299,402	74,563
Accruals		<u>106,060</u>	<u>52,011</u>
		529,381	204,224
Deferred Income			
Balance at 1 August 2022			(74,563)
Amount received and accrued in the year			1,222,325
Balance at 31 July 2023			<u>96,134</u>
Amount released to incoming resources			<u>1,243,896</u>
Deferred income relates to 16-19 programme funding income received and not earned. This funding will be subject to clawback.			
13. LEASING AGREEMENTS			
Minimum lease payments under non-cancellable operating leases fall due as follows:			
		2023	2022
		£	£
Within one year		-	8,439
Between one and five years		<u>-</u>	<u>-</u>
		<u>-</u>	<u>8,439</u>
14. MOVEMENT IN FUNDS			
		Net movement	
	At 01.08.22	in funds	At 31.07.23
	£	£	£
Unrestricted funds			
General fund	1,457,584	124,495	1,582,079
Restricted funds			
The Core	1,468,870	(126,603)	1,342,267
	<u>2,926,454</u>	<u>(2,108)</u>	<u>2,924,346</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,200,754	(1,076,259)	124,495
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,200,754</u>	<u>(1,202,862)</u>	<u>(2,108)</u>
TOTAL FUNDS	<u>1,200,754</u>	<u>(1,202,862)</u>	<u>(2,108)</u>

Comparatives for movement in funds

	At 01.08.21 £	Net movement in funds £	At 31.07.22 £
Unrestricted funds			
General fund	1,439,958	17,626	1,457,584
Restricted funds			
The Core	1,595,473	(126,603)	1,468,870
	<u>3,035,431</u>	<u>(108,977)</u>	<u>2,926,454</u>
TOTAL FUNDS	<u>3,035,431</u>	<u>(108,977)</u>	<u>2,926,454</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,187,710	(1,170,084)	17,626
Restricted funds			
The Core	-	(126,603)	(126,603)
	<u>1,187,710</u>	<u>(1,296,687)</u>	<u>(108,977)</u>
TOTAL FUNDS	<u>1,187,710</u>	<u>(1,296,687)</u>	<u>(108,977)</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

14. MOVEMENT IN FUNDS - continued

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

	At 01.08.21 £	Net movement in funds £	At 31.07.23 £
Unrestricted funds			
General fund	1,439,658	142,121	1,582,079
Restricted funds			
The Core	1,595,473	(253,206)	1,342,267
	3,035,131	(111,085)	2,924,346
TOTAL FUNDS	<u>3,035,131</u>	<u>(111,085)</u>	<u>2,924,346</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	2,388,464	(2,246,343)	142,121
Restricted funds			
The Core	-	(253,206)	(253,206)
	2,388,464	(2,499,549)	(111,085)
TOTAL FUNDS	<u>2,388,464</u>	<u>(2,499,549)</u>	<u>(111,085)</u>

Unrestricted funds: These funds represent unrestricted resources available for the general work of the charitable company.

The Core:

This is funds from Durham County Council for the creation of the advanced manufacturing facility known as The Core (Creating Opportunities, Realising Excellence).

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Bishop Auckland College, a college of further education incorporated in the United Kingdom, which is the sole member of the charity. The consolidated accounts can be obtained from the college at Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ.

S. W. Durham Training Limited

**Notes to the Financial Statements continued
for the Year Ended 31 July 2023**

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2023 or 2022.

17. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of the exemption under FRS102 not to disclose transactions with UK parent company.

18. MEMBERS

The liability of the members of the charitable company is limited by guarantee and such liability does not exceed £10 per member.

S. W. Durham Training Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 July 2023**

	2023	2022
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Bank interest	-	80
Charitable activities		
Apprentices & youth/adult training	1,168,726	1,110,880
Course fees	<u>32,028</u>	<u>76,750</u>
	<u>1,200,754</u>	<u>1,187,630</u>
Total incoming resources	1,200,754	1,187,710
 EXPENDITURE		
Charitable activities		
Wages and salaries	448,733	519,507
Social security	38,354	42,890
Pensions	52,339	57,461
Course & workshop expenses	139,946	159,754
Administration & monitoring	<u>23,277</u>	<u>36,436</u>
	702,649	816,048
Support costs Management		
Wages & salaries	13,373	14,837
Social security	1,560	1,746
Pensions	957	1,377
Advertising & publicity	2,778	1,475
General expenses	8,186	8,480
Irrecoverable VAT	23,706	27,764
Operating and maintenance costs	135,972	104,258
College recharges	190,000	200,000
Depreciation of tangible and heritage assets	<u>103,256</u>	<u>105,736</u>
	479,788	465,673
Governance costs		
Auditors' remuneration	14,400	11,760
Accountancy and legal fees	<u>6,020</u>	<u>3,206</u>
	<u>20,420</u>	<u>14,966</u>
Total resources expended	<u>1,202,862</u>	<u>1,296,687</u>
Net expenditure	<u><u>(2,108)</u></u>	<u><u>(108,977)</u></u>

S W DURHAM TRAINING LIMITED

England & Wales - Charity number 518211

Accounts

REGISTERED COMPANY NUMBER: 00918178
REGISTERED CHARITY NUMBER: 518211

S. W. Durham Training Limited
Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2022

S. W. Durham Training Limited

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for the Year Ended 31 July 2022**

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S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2022

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 year ended 31 July 2022. 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

Charitable objectives

It is the objective of S W Durham Training Limited to provide a high quality training service and promote a lifetime of learning culture to meet the ongoing needs of individuals and the business community, to maximise potential, to secure jobs and create wealth for the region.

ACHIEVEMENT AND PERFORMANCE

The charitable company continues to develop and deliver full time training for young people and adults in the engineering sector, apprentice frameworks and bespoke/commercial training programmes to local and regional organisations, providing lifelong learning opportunities within manufacturing, engineering and commercial sectors.

FINANCIAL REVIEW

Personnel

The average number of employees throughout the period 2021/22 was 18 (2020/21: 19).

Reserves policy

The Council of Management consider the charitable company requires reserves to:

- ensure that the current activities of the charitable company would be able to continue in the event of a change or significant drop in the level of funding;
- allow the Council to react quickly to the training needs of the manufacturing and service industries in our area;
- enable the charitable company to continue to invest in fixed assets and maintain the freehold property in a high state of repair.

In order to be prepared for these eventualities target reserves equating to 6 months of cash expenditure, excluding Group recharges, are deemed appropriate; £500k. The Reserves Policy will be reviewed and approved annually by the Council.

The Council has reviewed the level of free reserves held, which currently stand at £846,767 (2021: £872,415), and considers this is adequate to ensure the continued operation of the charitable company. South West Durham Training is forecast to return to a surplus position in the current year 22/23 and through 23/24 continuing to grow reserves.

Monthly management accounts are prepared to enable the Council to monitor the level of reserves on a timely basis.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2022

FINANCIAL REVIEW

Going concern

It is considered appropriate to adopt the going concern basis of accounting in preparing these financial statements, on the basis that the company has the ability to continue to operate for a significantly longer period than the statutory twelve months from the date of approval.

The 2021/22 financial statements see the company remain in a loss position where the budget prepared in May-2021 projected a £45k surplus. A cautious approach has been taken to the preparation of the 2022/23 financial plan showing reduction in income streams that may be affected by the cost of living crisis, particularly 16-19 programme funding and commercial income. The value of 'carry in' funding (funding for apprentices already in learning) for the company is calculated at £664k. A cautious approach has been taken to predicting the number of new apprenticeship enrolments in 2022/23, taking into account the current employer base that the SWDT work with. To date SWDT has already reached the 2022/23 budget providing all learners remain on program. There has been careful planning of staffing with a change in the management structure and additional investment in staffing and non pay budget. The 2021/22 final outturn position shows SWDT to be in a deficit position, work will continue to reduce the deficit position and bring the organisation back to a break even or surplus position for the year 2022/23.

Detailed cash flow forecasts have been prepared which show that SWDT is expected to have a positive cash position for at least 24 months from the date of signing these financial statements

Financial Year

The company finished the year in a deficit position; this was a decline against the approved budget.

The Council of Management are proposing for approval at the annual general meeting that the fee structure for the training period commencing 1 August 2022 be as follows:

(a) that a company sending a learner to the centre and having that learner with S W Durham Training Limited will, providing the learner is eligible for full funding, not be charged whilst full funding is still available for that learner and they are aged 16-18 at the start of their framework. If the learner is not eligible for full funding, the sponsoring company will pay the difference between full funding and that received;

(b) that companies will pay fees for their learner to attend work based learning and further education subsequent to completion of apprenticeships framework.

COUNCIL OF MANAGEMENT

No fees have been paid to any Member of the Council of Management nor does any such member have any beneficial interest

Governing document

S W Durham Training Limited is a company limited by guarantee, incorporated in the United Kingdom and a registered charity. The charitable company is governed by its Memorandum and Articles of Association, as amended at the extraordinary general meeting of 17 October 2014.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new council members

Council members, who are also trustees and directors of the charitable company, can appoint any nominated member to act until the next Annual General Meeting at which time they are eligible for re-election.

Organisational structure

The council members can meet as many times as they see fit, but generally they meet every three months. Decisions will be made by a majority vote with the Chairperson having the casting vote. Day to day management of the charitable company is delegated to the General Manager. The Chief Executive resigned on the 31st July 21 and a temporary structure was in place with the then operations manager taking some additional responsibilities while reporting to the Bishop Auckland College Principal. The structure was further enhanced by seconding the head of apprenticeship and business Services to S.W. Durham Training to support the operations manager is improving quality of apprenticeship provision. A recruitment process for a general manager with an engineering background was unsuccessful. The board chose to reflect on the existing temporary structure and agreed that this was a stung structure that could remain in place for a further 12 months after which point the board would review. The current senior structure includes the general manager who reports to the Bishop Auckland College Principal and the operations manager who report to the general manager.

Induction and training of new council members

New council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, recent financial performance and future plans. They are introduced to key employees and other council members. Council members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

Details of key management remuneration, which is set by the council having regard to the recommendations of the remuneration committee of the parent Bishop Auckland College, are set out in note 8 to the financial statements.

Investment powers

The council members may invest any monies in any manner authorised by law for the investment of such funds.

Restrictions imposed

No paid employee or person in receipt of fees or any other remuneration from the charitable company may be a council member. However, any council member engaged by the charitable company in any profession will be entitled to be paid for any work done for the charitable company.

Public benefit

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The council members have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The charitable company's activities in providing training for young people benefit the learners themselves as well as employers and the wider community, providing opportunities to learners and contributing to the creation of jobs and wealth for the North East.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00918178

Registered Charity number

518211

Registered office

Durham Way South
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham, DL5 6AT

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2022

Trustees

Keith Ivory (Chair)
Natalie Davison-Terranova
Mark Henderson
Paul Aither (left 18th October 2022)
James Robson
David Bell
Bobby Taylor

The trustees, who constitute the Council of Management, are also the directors of the company for the purposes of the Companies Act 2006.

Chief Executive Officer

None

General Manager

Jonathan Hall

Company Secretary

Lynn Heighton

Auditors

Armstrong Watson
Suite 15 & 17
11 Waterloo Street
Newcastle upon Tyne
NE1 4DP

Solicitors

Muckle LLP
Time Central
32 Gallowgate
NEWCASTLE UPON TYNE
NE1 4BF

Bankers

Barclays Bank Plc
PO Box 378
71 Grey Street
NEWCASTLE UPON TYNE
NE99 1JP

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2022

CHAIRMAN'S STATEMENT

On behalf of the Council of Management, may I take this opportunity to thank all members of staff of S W Durham Training Limited for their continued support and dedication to the success of the charitable company. I would also like to take this opportunity to thank all our Member Companies for their high level of support during the year. This has been a challenging year for S W Durham Training dealing with the lasting impact of the global pandemic and cost of living crisis; despite the challenges we have seen apprenticeship numbers continue to grow.

Apprenticeship numbers are very encouraging and are bucking the current trend seen across other parts of the country. New and existing employers are increasing their investment in training and have selected SWDT as their provider of choice. 16-19 Study Programmes have declined and this is again is the impact of the cost of living crisis where many young learner are choosing to get paid work rather than stay in full time education.

KD Ivory

KD Ivory (Feb 14, 2023 11:33 GMT)

Keith Ivory
Chair

17th February 2023

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of S. W. Durham Training Limited 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 SORP;
- 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, Armstrong Watson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17th February 2023 and signed on its behalf by:

KD Ivory

KD Ivory (Feb 14, 2023 11:33 GMT)

.....
Keith Ivory – Trustee

**Report of the Independent Auditors to the Members of
S. W. Durham Training Limited**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED

Opinion

We have audited the financial statements of S. W. Durham Training Limited (the 'charitable company') for the year ended 31 July 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED
(Continued)**

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 including the Strategic 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED
(Continued)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 21 (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non compliance with laws and regulations and cannot be expected to detect all fraud and non compliance with 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 Auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S. W. DURHAM TRAINING LIMITED
(Continued)

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 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.



Simon Turner (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Date: 14/02/2023

S. W. Durham Training Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Income from activities and services	3	1,187,630	-	1,187,630	1,355,324
Investment income	2	<u>80</u>	<u>-</u>	<u>80</u>	<u>3</u>
Total		1,187,710	-	1,187,710	1,355,327
 EXPENDITURE ON					
Charitable activities					
Charitable expenditure	4	1,170,084	126,603	1,296,687	1,449,690
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)		17,626	(126,603)	(108,977)	(94,363)
 RECONCILIATION OF FUNDS					
Total funds brought forward		1,439,958	1,595,473	3,035,431	3,129,794
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,457,584</u></u>	<u><u>1,468,870</u></u>	<u><u>2,926,454</u></u>	<u><u>3,035,431</u></u>

S. W. Durham Training Limited

**Balance Sheet
31 July 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	610,817	1,468,870	2,079,687	2,163,015
CURRENT ASSETS					
Debtors	11	122,925	-	122,925	331,271
Cash at bank		<u>928,066</u>	<u>-</u>	<u>928,066</u>	<u>696,558</u>
		1,050,991	-	1,050,991	1,027,828
CREDITORS					
Amounts falling due within one year	12	(204,224)	-	(204,224)	(155,413)
NET CURRENT ASSETS		<u>846,767</u>	<u>-</u>	<u>846,767</u>	<u>872,415</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,457,584</u>	<u>1,468,870</u>	<u>2,926,454</u>	<u>3,035,431</u>
NET ASSETS		<u><u>1,457,584</u></u>	<u><u>1,468,870</u></u>	<u><u>2,926,454</u></u>	<u><u>3,035,431</u></u>
FUNDS	14				
Unrestricted funds				1,457,584	1,439,958
Restricted funds				<u>1,468,870</u>	<u>1,595,473</u>
TOTAL FUNDS				<u><u>2,926,454</u></u>	<u><u>3,035,431</u></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 17th February 2023. and were signed on its behalf by:

KD Ivory

KD Ivory (Feb 14, 2023 11:33 GMT)

.....
Keith Ivory – Chair

S. W. Durham Training Limited

Notes to the Financial Statements for the Year Ended 31 July 2022

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.

The charitable company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling (£).

Going Concern

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate. If the company is unable to continue to operate, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse both fixed assets and long term liabilities as current assets and liabilities.

The charity had total funds of £2,926,454 as at 31 July 2022 (decrease of £108,977 from 31 July 2021). Budgets and cash flow forecasts have been updated to factor in the expected reduction in income and a worst case scenario has been used to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

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 costs 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.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

S. W. Durham Training Limited

Notes to the Financial Statements - Continued for the Year Ended 31 July 2022

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land & buildings	-	4% on cost and 2% on cost
Plant, machinery, fixtures & equipment	-	20% on cost, 16.67% on cost, 10% on cost and 4% on cost
Motor vehicles	-	25% on reducing balance
Computer equipment	-	50% on cost and 33%-50% on cost

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions group entities.

S. W. Durham Training Limited

Notes to the Financial Statements - continued for the Year Ended 31 July 2022

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a funded group pension plan arrangement, whereby it makes contributions directly to each individual employees' pension plan. Contributions paid are included in the period to which they relate.

Irrecoverable vat

The charity was partially exempt for VAT purposes for the period ended 31 July 2022. Irrecoverable VAT has been included in the Statement of Financial Activities during the period within support costs.

Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Financial Instruments

The charitable company 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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2022**

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Bank interest	<u> </u>	<u> </u>	<u>80</u>	<u>3</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Apprentices & youth/adult training	Income from activities and services	1,110,880	1,258,636
Course fees	Income from activities and services	<u>76,750</u>	<u>96,688</u>
		<u>1,187,630</u>	<u>1,355,324</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable expenditure	<u>816,048</u>	<u>480,639</u>	<u>1,296,687</u>

5. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable expenditure	<u>465,673</u>	<u>14,966</u>	<u>480,639</u>

Support costs, included in the above, are as follows:

Management

	2022 Charitable expenditure £	2021 Total activities £
Wages & salaries	14,837	16,444
Social security	1,746	1,921
Pensions	1,377	1,192
Advertising & publicity	1,475	2,843
General expenses	8,480	7,152
Irrecoverable VAT	27,764	25,765
Operating and maintenance costs	104,258	100,217
College recharges	200,000	200,000
Depreciation of tangible and heritage assets	<u>105,736</u>	<u>169,834</u>
	<u>465,673</u>	<u>525,368</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2022**

5. SUPPORT COSTS - continued

Governance costs

	2022 Total activities £	2021 Total activities £
Auditors' remuneration	11,760	10,680
Accountancy and legal fees	<u>3,206</u>	<u>4,596</u>
	<u>14,966</u>	<u>15,276</u>

6. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Auditors' remuneration	11,760	10,680
Depreciation - owned assets	<u>105,736</u>	<u>169,836</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no emoluments for their services to the charitable company (2021: £Nil).

Trustees' expenses

Trustees' expenses totalling £Nil were reimbursed during the year (2021: £Nil).

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	534,344	556,878
Social security costs	44,636	49,134
Other pension costs	<u>58,838</u>	<u>81,081</u>
	<u>637,818</u>	<u>687,093</u>

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

	2022	2021
Training	13	14
Administration	<u>5</u>	<u>5</u>
	<u>18</u>	<u>19</u>

Key management comprise the Chief Executive. Remuneration of key management during the year was £Nil including £Nil pension contributions (2021: £63,854 including pension contributions of £4,522).

Zero employees received emoluments in excess of £60,000 (2021: Nil).

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2022**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Income from activities and services	1,355,324	-	1,355,324
Investment income	<u>3</u>	<u>-</u>	<u>3</u>
Total	1,355,327	-	1,355,327
 EXPENDITURE ON			
Charitable activities			
Charitable expenditure	1,323,087	126,603	1,449,690
	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	32,240	(126,603)	(94,363)
 RECONCILIATION OF FUNDS			
Total funds brought forward	1,407,718	1,722,076	3,129,794
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,439,958</u></u>	<u><u>1,595,473</u></u>	<u><u>3,035,431</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2021	4,804,380	3,352,439	42,984	713,397	8,913,200
Additions	<u>-</u>	<u>22,406</u>	<u>-</u>	<u>-</u>	<u>22,406</u>
At 31 July 22	<u>4,804,380</u>	<u>3,374,845</u>	<u>42,984</u>	<u>713,397</u>	<u>8,935,606</u>
 DEPRECIATION					
At 1 August 2021	3,133,247	2,860,559	42,984	713,397	6,750,187
Charge for year	<u>56,110</u>	<u>49,622</u>	<u>-</u>	<u>-</u>	<u>105,732</u>
At 31 July 2022	<u>3,189,357</u>	<u>2,910,181</u>	<u>42,984</u>	<u>713,397</u>	<u>6,855,919</u>
 NET BOOK VALUE					
At 31 July 2022	<u>1,615,023</u>	<u>464,664</u>	<u>-</u>	<u>-</u>	<u>2,079,687</u>
At 31 July 2021	<u>1,671,133</u>	<u>491,880</u>	<u>-</u>	<u>-</u>	<u>2,163,013</u>

Included in cost or valuation of land and buildings is freehold land of £300,000 (2021: £300,000) which is not depreciated.

Freehold land was revalued as at 31 July 2014 by the trustees supported by an independent valuation. On transition to FRS102 the freehold land is held at deemed cost.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	5,326	5,327
Amounts owed by group undertakings	-	168,581
Prepayments and accrued income	<u>117,599</u>	<u>157,362</u>
	<u>122,925</u>	<u>331,271</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	23,505	11,834
Other creditors	20,841	-
Amounts owed to group undertakings	7,566	-
Social security and other taxes	25,738	28,401
Deferred income	74,563	51,995
Accruals	<u>52,011</u>	<u>63,183</u>
	<u>204,224</u>	<u>155,413</u>

Deferred Income

Balance at 1 August 2021	(51,995)
Amount received and accrued in the year	1,601,152
Balance at 31 July 2022	<u>(74,563)</u>
Amount released to incoming resources	<u>934,594</u>

Deferred income relates to 16-19 programme funding income received and not earned.
This funding will be subject to clawback.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	-	8,439
Between one and five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>8,439</u>

14. MOVEMENT IN FUNDS

	At 01.08.21	Net movement in funds	At 31.07.22
	£	£	£
Unrestricted funds			
General fund	1,439,958	17,626	1,457,584
Restricted funds			
The Core	1,595,473	(126,603)	1,468,870
	<u>3,035,431</u>	<u>(108,977)</u>	<u>2,926,454</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2022**

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,187,710	(1,170,084)	17,626
Restricted funds			
The Core	-	(126,603)	(126,603)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,187,710</u>	<u>(1,296,687)</u>	<u>(108,977)</u>

Comparatives for movement in funds

	At 01.08.20 £	Net movement in funds £	At 31.07.21 £
Unrestricted funds			
General fund	1,407,718	32,240	1,439,958
Restricted funds			
The Core	1,722,076	(126,603)	1,595,473
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,129,794</u>	<u>(94,363)</u>	<u>3,035,431</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,355,327	(1,323,087)	32,240
Restricted funds			
The Core	-	(126,603)	(126,603)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,355,327</u>	<u>(1,449,690)</u>	<u>(94,363)</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2022**

14. MOVEMENT IN FUNDS - continued

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

	At 01.08.20 £	Net movement in funds £	At 31.07.22 £
Unrestricted funds			
General fund	1,407,718	49,866	1,457,584
Restricted funds			
The Core	1,722,076	(253,206)	1,468,870
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,129,794</u>	<u>(203,340)</u>	<u>2,926,454</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	2,543,037	(2,493,171)	49,866
Restricted funds			
The Core	-	(253,206)	(253,206)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,543,037</u>	<u>(2,746,377)</u>	<u>(203,340)</u>

Unrestricted funds: These funds represent unrestricted resources available for the general work of the charitable company.

The Core:

This is funds from Durham County Council for the creation of the advanced manufacturing facility known as The Core (Creating Opportunities, Realising Excellence).

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Bishop Auckland College, a college of further education incorporated in the United Kingdom, which is the sole member of the charity. The consolidated accounts can be obtained from the college at Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2022**

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2022 or 2021.

17. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of the exemption under FRS102 not to disclose transactions with UK parent company.

18. MEMBERS

The liability of the members of the charitable company is limited by guarantee and such liability does not exceed £10 per member.

S. W. Durham Training Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 July 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Investment income		
Bank interest	80	3
Charitable activities		
Apprentices & youth/adult training	1,110,880	1,258,636
Course fees	<u>76,750</u>	<u>96,688</u>
	<u>1,187,630</u>	<u>1,355,324</u>
Total incoming resources	1,187,710	1,355,327
EXPENDITURE		
Charitable activities		
Wages and salaries	519,507	540,434
Social security	42,890	47,213
Pensions	57,461	79,889
Course & workshop expenses	159,754	204,185
Administration & monitoring	<u>36,436</u>	<u>37,325</u>
	816,048	909,046
Support costs		
Management		
Wages & salaries	14,837	16,444
Social security	1,746	1,921
Pensions	1,377	1,192
Advertising & publicity	1,475	2,843
General expenses	8,480	7,152
Irrecoverable VAT	27,764	25,765
Operating and maintenance costs	104,258	100,217
College recharges	200,000	200,000
Depreciation of tangible and heritage assets	<u>105,736</u>	<u>169,834</u>
	465,673	525,368
Governance costs		
Auditors' remuneration	11,760	10,680
Accountancy and legal fees	<u>3,206</u>	<u>4,596</u>
	<u>14,966</u>	<u>15,276</u>
Total resources expended	<u>1,296,687</u>	<u>1,449,690</u>
Net expenditure	<u><u>(108,977)</u></u>	<u><u>(94,363)</u></u>










SWDT Final Accounts

Final Audit Report

2023-02-14

Created:	2023-02-10
By:	Rachael Tillston (rachael.tillston@armstrongwatson.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAA2YY-oYgILJ6DZ7qImsBVUpyD1u-dOhQL

"SWDT Final Accounts" History

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S W DURHAM TRAINING LIMITED

England & Wales - Charity number 518211

Accounts

REGISTERED COMPANY NUMBER: 00918178
REGISTERED CHARITY NUMBER: 518211

S. W. Durham Training Limited
Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2020

S. W. Durham Training Limited

**Contents of the Financial Statements
for the Year Ended 31 July 2020**

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Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 20
Detailed Statement of Financial Activities	21

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2020

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 year ended 31 July 2020. 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

Charitable objectives

It is the objective of S W Durham Training Limited to provide a high quality training service and promote a lifetime of learning culture to meet the ongoing needs of individuals and the business community, to maximise potential, to secure jobs and create wealth for the region.

ACHIEVEMENT AND PERFORMANCE

The charitable company continues to develop and deliver full time training for young people and adults in the engineering sector, apprentice frameworks and bespoke/commercial training programmes to local and regional organisations, providing lifelong learning opportunities within manufacturing, engineering and commercial sectors.

FINANCIAL REVIEW

Personnel

The average number of employees throughout the period 2019/20 was 19 (2018/19: 21).

Reserves policy

The Council of Management consider the charitable company requires reserves to:

- ensure that the current activities of the charitable company would be able to continue in the event of a change or significant drop in the level of funding;
- allow the Council to react quickly to the training needs of the manufacturing and service industries in our area;
- enable the charitable company to continue to invest in fixed assets and maintain the freehold property in a high state of repair.

In order to be prepared for these eventualities target reserves equating to 6 months of cash expenditure, excluding Group recharges, are deemed appropriate; £500k. The Reserves Policy will be reviewed and approved annually by the Council.

The Council has reviewed the level of free reserves held, which currently stand at £813,520 (2019: £758,413), and considers this is adequate to ensure the continued operation of the charitable company.

Monthly management accounts are prepared to enable the Council to monitor the level of reserves on a timely basis.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2020

FINANCIAL REVIEW

Going concern

It is considered appropriate to adopt the going concern basis of accounting in preparing these financial statements, on the basis that the company has the ability to continue to operate for a significantly longer period than the statutory twelve months from the date of approval.

During 2020 the world was hit by a global pandemic and at the time of preparing these financial statements, the world remains in the grips of the global pandemic. As a result, there is much about the future that is uncertain. There is general agreement that the country will suffer a recession the likes of which has not been seen since the Second World War. It is also generally accepted that in periods of financial pressure the training budget is one of the first things to be cut by businesses. Consequently, it is anticipated that apprenticeship recruitment will be severely impacted by the recession.

The 19/20 financial statements see the company move into a loss position, where previously a surplus was projected although the final position is improved from the forecast prepared during the most significant period of lockdown. Government schemes have been accessed where possible for the year 19/20, but the impact of the global pandemic has been unprecedented and has affected some in year income streams significantly, it remains to be seen what the ongoing impact will be. The 19/20 year was manageable but the greater impact is expected to be on the 20/21 year.

A cautious approach has been taken to the preparation of the 20/21 financial plan showing reduction in income streams that will certainly be affected by the impact of Covid-19, particularly apprenticeship income and commercial income. 2020/21 apprenticeship income assumptions are based on the following factor; The value of 'carry in' funding (funding for apprentices already in learning) for the company is calculated at £500k. Also, a detailed assessment has been made of the current apprentices to calculate the risk of their being made redundant. A cautious approach has been taken to predicting the number of new apprenticeship enrolments in 2020/21, taking into account the current employer base that the College and SWDT work with. There has been careful planning of staffing and non pay budget, taking account of the additional costs likely to be incurred by the measure required to fulfil the government requirements on social distancing and getting learners back into the education. The 20/21 plan shows SWDT to be in a deficit position, work will continue to reduce the deficit position and bring the organisation back to a surplus position for the year 21/22. The quarter 2 reforecast prepared in Jan-21 shows a small reduction in income, with an increase in apprenticeship income countered by a reduction in commercial income. Apprentices remain on target and a number of additional sign ups have been made in year between lock down periods. SWDT remain in a deficit position but this has improved from budget (-£66k) to quarter 2 (-£27k).

Detailed cash flow forecasts have been prepared which show that SWDT is expected to have a positive cash position for at least 12 months from the date of signing these financial statements

Financial Year

Early in 2020 the world was hit by a global pandemic which escalated to the point that was unimagined. At the time of preparing the financial statements, the threat of Covid-19 remained. Whilst the focus of S W Durham Training remains the same, the impact of Covid-19 led the company to reassess some of the income assumptions in year. The impact of Covid_19 is reflected in the financial performance for the charitable company over the last year. The company finished the year in a deficit position; this was predominantly due to a shortfall in Apprenticeship and commercial income as a result of Covid-19. Staffing came in higher than forecast.

The Council of Management are proposing for approval at the annual general meeting that the fee structure for the training period commencing 1 August 2020 be as follows:

(a) that a company sending a learner to the centre and having that learner with S W Durham Training Limited will, providing the learner is eligible for full funding, not be charged whilst full funding is still available for that learner and they are aged 16-18 at the start of their framework. If the learner is not eligible for full funding, the sponsoring company will pay the difference between full funding and that received;

(b) that companies will pay fees for their learner to attend work based learning and further education subsequent to completion of apprenticeships framework.

COUNCIL OF MANAGEMENT

No fees have been paid to any Member of the Council of Management nor does any such member have any beneficial interest in, or a contract with, the charitable company.

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

S W Durham Training Limited is a company limited by guarantee, incorporated in the United Kingdom and a registered charity. The charitable company is governed by its Memorandum and Articles of Association, as amended at the extraordinary general meeting of 17 October 2014.

Recruitment and appointment of new council members

Council members, who are also trustees and directors of the charitable company, can appoint any nominated member to act until the next Annual General Meeting at which time they are eligible for re-election.

Organisational structure

The council members can meet as many times as they see fit, but generally they meet every three months. Decisions will be made by a majority vote with the Chairman having the casting vote. Day to day management of the charitable company is delegated to the Chief Executive.

Induction and training of new council members

New council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, recent financial performance and future plans. They are introduced to key employees and other council members. Council members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

Details of key management remuneration, which is set by the council having regard to the recommendations of the remuneration committee of the parent Bishop Auckland College, are set out in note 9 to the financial statements.

Investment powers

The council members may invest any monies in any manner authorised by law for the investment of such funds.

Restrictions imposed

No paid employee or person in receipt of fees or any other remuneration from the charitable company may be a council member. However, any council member engaged by the charitable company in any profession will be entitled to be paid for any work done for the charitable company.

Public benefit

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The council members have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The charitable company's activities in providing training for young people benefit the learners themselves as well as employers and the wider community, providing opportunities to learners and contributing to the creation of jobs and wealth for the North East.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00918178 (Not specified/Other)

Registered Charity number

518211

Registered office

Durham Way South
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham
DL5 6AT

S. W. Durham Training Limited

**Report of the Trustees
for the Year Ended 31 July 2020**

Trustees

Andrew Dunn (Chair)
Andrew Scott
Natalie Davison
Pamela Petty
Paul Aither
Benjamin Gilhespy
Geoffrey Willis (appointed 8 October 2019)

The trustees, who constitute the Council of Management, are also the directors of the company for the purposes of the Companies Act 2006.

Chief Executive Officer

Stuart Johnson

Company Secretary

Lynn Heighton

Auditors

RSM UK Audit LLP
1 St James' Gate
NEWCASTLE UPON TYNE
Tyne and Wear
NE1 4AD

Solicitors

Muckle LLP
Time Central
32 Gallowgate
NEWCASTLE UPON TYNE
NE1 4BF

Bankers

Barclays Bank Plc
PO Box 378
71 Grey Street
NEWCASTLE UPON TYNE
NE99 1JP

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2020

CHAIRMAN'S STATEMENT

On behalf of the Council of Management, may I take this opportunity to thank all members of staff of S W Durham Training Limited for their continued support and dedication to the success of the charitable company. I would also like to take this opportunity to thank all our Member Companies for their high level of support during the year. This has been a challenging year for S W Durham Training with the impact of COVID-19; despite the challenges we have seen, maintenance of study programme learners. The organisation and the country face an uncertain future. But study programme numbers continue to increase, apprenticeship numbers continue to grow and the introduction of the new HNC

Changes to the current curriculum have proved beneficial as study programme numbers are in line with current funding values and in some areas are slightly above target. HE numbers are encouraging and are in above target this year with new companies requesting to take up this provision with SWDT. Apprenticeship numbers are very encouraging and are bucking the current trend seen across other parts of the country. New and existing employers are increasing their investment in training and have selected SWDT as their provider of choice. Work carried out during lockdown by the BD and SMT at SWDT has resulted in new and innovative ways of delivery via online platforms, this has allowed us to develop new route ways and establish working partnerships countrywide.

Signed on behalf of Andrew Dunn, Natalie Davison-Terranova

N. Davison-Terranova

Date 31st March 2021

S. W. Durham Training Limited

Report of the Trustees for the Year Ended 31 July 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of S. W. Durham Training Limited 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 SORP;
- 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, RSM UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 31st March 2021 and signed on its behalf by: Natalie Davison-Terranova

Trustee

N. Davison-Terranova

Report of the Independent Auditors to the Members of S. W. Durham Training Limited

Opinion

We have audited the financial statements of S W Durham Training Limited (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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, including FRS 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Trustee's Report which includes the directors report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report included within the trustees report has been prepared in accordance with applicable legal requirements.

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 Trustees' Report.

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

**Report of the Independent Auditors to the Members of
S. W. Durham Training Limited**

- 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 exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, 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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)
for and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
NEWCASTLE UPON TYNE
Tyne and Wear
NE1 4AD

Date: *31 March 2021*

S. W. Durham Training Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Income from activities and services	3	1,220,960	-	1,220,960	1,372,101
Investment income	2	<u>12</u>	<u>-</u>	<u>12</u>	<u>175</u>
Total		1,220,972	-	1,220,972	1,372,276
 EXPENDITURE ON					
Charitable activities					
Charitable expenditure	4	1,289,444	126,603	1,416,047	1,476,867
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)		(68,472)	(126,603)	(195,075)	(104,591)
 RECONCILIATION OF FUNDS					
Total funds brought forward		1,476,190	1,848,679	3,324,869	3,429,461
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,407,718</u></u>	<u><u>1,722,076</u></u>	<u><u>3,129,794</u></u>	<u><u>3,324,870</u></u>

The notes form part of these financial statements

S. W. Durham Training Limited

**Balance Sheet
31 July 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	10	594,198	1,722,076	2,316,274	2,566,456
CURRENT ASSETS					
Debtors	11	124,286	-	124,286	260,449
Cash at bank		<u>818,754</u>	<u>-</u>	<u>818,754</u>	<u>668,362</u>
		943,040	-	943,040	928,811
CREDITORS					
Amounts falling due within one year	12	(129,520)	-	(129,520)	(170,397)
NET CURRENT ASSETS		<u>813,520</u>	<u>-</u>	<u>813,520</u>	<u>758,414</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,407,718</u>	<u>1,722,076</u>	<u>3,129,794</u>	<u>3,324,870</u>
NET ASSETS		<u><u>1,407,718</u></u>	<u><u>1,722,076</u></u>	<u><u>3,129,794</u></u>	<u><u>3,324,870</u></u>
FUNDS	14				
Unrestricted funds				1,407,718	1,476,191
Restricted funds				<u>1,722,076</u>	<u>1,848,679</u>
TOTAL FUNDS				<u><u>3,129,794</u></u>	<u><u>3,324,870</u></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 31st March 2021. and were signed on its behalf by: Natalie Davison- Terranova

N. Davison-Terranova

Trustee

S. W. Durham Training Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

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.

The charitable company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate. Further detail on going concern is given on page 2 of the Trustees' report.

The financial statements are prepared in sterling (£).

Going Concern

The financial statements are prepared on the going concern basis which assumes that the charitable company will continue to operate.

The charity had total funds of £3,129,794 as at 31 July 2020 (decrease of £195,076 from 31 July 2019). As a result of the Covid-19 pandemic, the budgets and cash flow forecasts have been updated to factor in the expected reduction in income and a worst case scenario has been used to confirm that the charity has sufficient cash for the organisation to continue for at least 12 months from the date these financial statements are signed. At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

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 costs 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.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

S. W. Durham Training Limited

Notes to the Financial Statements - continued for the Year Ended 31 July 2020

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land & buildings	- 4% on cost and 2% on cost
Plant, machinery, fixtures & equipment	- 20% on cost, 16.67% on cost, 10% on cost and 4% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% on cost and 33%-50% on cost

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions group entities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a funded group pension plan arrangement, whereby it makes contributions directly to each individual employees' pension plan. Contributions paid are included in the period to which they relate.

Irrecoverable vat

The charity was partially exempt for VAT purposes for the period ended 31 July 2020. Irrecoverable VAT has been included in the Statement of Financial Activities during the period within support costs.

Investments

Listed investments are included in the financial statements at market value at the balance sheet date.

Financial Instruments

The charitable company 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.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy. The value of the depreciation charge during the year was £250,181.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Bank interest	<u>12</u>	<u>-</u>	<u>12</u>	<u>175</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Apprentices & youth/adult training	Income from activities and services	1,010,335	1,065,405
Course fees	Income from activities and services	<u>210,625</u>	<u>306,696</u>
		<u>1,220,960</u>	<u>1,372,101</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable expenditure	<u>785,314</u>	<u>630,733</u>	<u>1,416,047</u>

5. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable expenditure	<u>616,890</u>	<u>13,843</u>	<u>630,733</u>

Support costs, included in the above, are as follows:

Management

	2020 Charitable expenditure £	2019 Total activities £
Wages & salaries	15,750	17,935
Social security	1,814	1,997
Pensions	1,338	986
Advertising & publicity	1,673	5,410
General expenses	6,580	13,095
Irrecoverable VAT	27,068	36,406
Operating and maintenance costs	63,990	70,727
College recharges	249,996	249,000
Depreciation of tangible and heritage assets	250,181	255,528
Gain/loss on sale of tangible fixed assets	<u>(1,500)</u>	<u>(31,250)</u>
	<u>616,890</u>	<u>619,834</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

5. SUPPORT COSTS - continued

Governance costs

	2020	2019
	Charitable	Total
	expenditure	activities
	£	£
Auditors' remuneration	11,410	7,200
Accountancy and legal fees	<u>2,433</u>	<u>12,270</u>
	<u>13,843</u>	<u>19,470</u>

6. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	11,410	7,200
Depreciation - owned assets	250,182	255,528
Surplus on disposal of fixed assets	(1,500)	(31,250)
Operating Leases	<u>8,438</u>	<u>52,679</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no emoluments for their services to the charitable company (2019:£Nil).

Trustees' expenses

Trustees' expenses totalling £Nil were reimbursed during the year (2019: £Nil).

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	529,964	514,820
Social security costs	46,450	44,063
Other pension costs	<u>90,844</u>	<u>60,460</u>
	<u>667,258</u>	<u>619,343</u>

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

	2020	2019
Training	14	14
Administration	<u>5</u>	<u>7</u>
	<u>19</u>	<u>21</u>

Key management comprise the Chief Executive. Remuneration of key management during the year was £63,010 including £4,463 pension contributions (2019: £28,128 including pension contributions of £1,324)

No employees received emoluments in excess of £60,000 (2019: Nil).

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Income from activities and services	1,372,101	-	1,372,101
Investment income	<u>175</u>	<u>-</u>	<u>175</u>
Total	1,372,276	-	1,372,276
 EXPENDITURE ON			
Charitable activities			
Charitable expenditure	1,350,264	126,603	1,476,867
	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	22,012	(126,603)	(104,591)
 RECONCILIATION OF FUNDS			
Total funds brought forward	1,454,179	1,975,282	3,429,461
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,476,191</u></u>	<u><u>1,848,679</u></u>	<u><u>3,324,870</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2019 and 31 July 2020	<u>4,804,380</u>	<u>3,335,864</u>	<u>42,984</u>	<u>713,397</u>	<u>8,896,625</u>
DEPRECIATION					
At 1 August 2019	2,952,682	2,621,106	42,984	713,397	6,330,169
Charge for year	<u>145,375</u>	<u>104,807</u>	<u>-</u>	<u>-</u>	<u>250,182</u>
At 31 July 2020	<u>3,098,057</u>	<u>2,725,913</u>	<u>42,984</u>	<u>713,397</u>	<u>6,580,351</u>
NET BOOK VALUE					
At 31 July 2020	<u><u>1,706,323</u></u>	<u><u>609,951</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,316,274</u></u>
At 31 July 2019	<u><u>1,851,698</u></u>	<u><u>714,758</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,566,456</u></u>

Included in cost or valuation of land and buildings is freehold land of £300,000 (2019 - £300,000) which is not depreciated.

Freehold land was revalued as at 31 July 2014 by the trustees supported by an independent valuation. On transition to FRS102 the freehold land is held at deemed cost.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	4,840	30,448
Amounts owed by group undertakings	-	103,120
Prepayments and accrued income	<u>119,446</u>	<u>126,881</u>
	<u>124,286</u>	<u>260,449</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	2,258	17,267
Amounts owed to group undertakings	23,973	-
Social security and other taxes	42,284	25,499
Deferred income	33,093	56,512
Accruals	<u>27,912</u>	<u>71,119</u>
	<u>129,520</u>	<u>170,397</u>

Deferred Income

Balance at 1 August 2019		56,512
Amount received and accrued in the year		1,198,733
Balance at 31 July 2020		<u>(33,093)</u>
Amount released to incoming resources		<u>1,222,152</u>

Deferred income relates to Adult learner loans income received and not earned. This funding will be subject to clawback.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	8,439	8,484
Between one and five years	<u>8,439</u>	<u>8,484</u>
	<u>16,878</u>	<u>16,968</u>

14. MOVEMENT IN FUNDS

	At 1.8.19	Net movement in funds	At 31.7.20
	£	£	£
Unrestricted funds			
General fund	1,476,190	(68,472)	1,407,718
Restricted funds			
The Core	1,848,679	(126,603)	1,722,076
	<u>3,324,869</u>	<u>(195,075)</u>	<u>3,129,794</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,220,972	(1,289,444)	(68,472)
Restricted funds			
The Core	-	(126,603)	(126,603)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,220,972</u>	<u>(1,416,047)</u>	<u>(195,075)</u>

Comparatives for movement in funds

	At 1.8.18 £	Net movement in funds £	At 31.7.19 £
Unrestricted funds			
General fund	1,454,179	22,012	1,476,191
Restricted funds			
The Core	1,975,282	(126,603)	1,848,679
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,429,461</u>	<u>(104,591)</u>	<u>3,324,870</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,372,276	(1,350,264)	22,012
Restricted funds			
The Core	-	(126,603)	(126,603)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,372,276</u>	<u>(1,476,867)</u>	<u>(104,591)</u>

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

14. MOVEMENT IN FUNDS - continued

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

	At 1.8.18 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
General fund	1,454,179	(46,460)	1,407,719
Restricted funds			
The Core	1,975,282	(253,206)	1,722,076
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,429,461</u>	<u>(299,666)</u>	<u>3,129,795</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	2,593,248	(2,639,708)	(46,460)
Restricted funds			
The Core	-	(253,206)	(253,206)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,593,248</u>	<u>(2,892,914)</u>	<u>(299,666)</u>

Unrestricted funds: These funds represent unrestricted resources available for the general work of the charitable company.

The Core:

This is funds from Durham County Council for the creation of the advanced manufacturing facility known as The Core (Creating Opportunities, Realising Excellence).

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Bishop Auckland College, a college of further education incorporated in the United Kingdom, which is the sole member of the charity. The consolidated accounts can be obtained from the college at Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ.

S. W. Durham Training Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2020 or 2019.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2020.

18. MEMBERS

The liability of the members of the charitable company is limited by guarantee and such liability does not exceed £10 per member.