

**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**

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for the Year Ended 31 July 2023**

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## **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 : 21<sup>st</sup> 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.

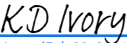
In so far as the trustees are aware:

- 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 21<sup>st</sup> 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](http://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 £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Income from activities and services	3	1,200,754	-	1,200,754	1,187,630
Investment income	2	-	-	-	80
<b>Total</b>		1,200,754	-	1,200,754	1,187,710
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Charitable expenditure	4	1,076,259	126,603	1,202,862	1,296,687
<b>NET INCOME/(EXPENDITURE)</b>		124,495	(126,603)	(2,108)	(108,977)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		1,457,584	1,468,870	2,926,454	3,035,431
<b>TOTAL FUNDS CARRIED FORWARD</b>		<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**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	10	741,330	1,342,267	2,083,597	2,079,687
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	12	(529,381)	-	(529,381)	(204,224)
<b>NET CURRENT ASSETS</b>		<u>840,748</u>	<u>-</u>	<u>840,748</u>	<u>846,767</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,582,078</u>	<u>1,342,267</u>	<u>2,924,345</u>	<u>2,926,454</u>
<b>NET ASSETS</b>		<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>
<b>FUNDS</b>	14				
Unrestricted funds				1,582,079	1,457,584
Restricted funds				<u>1,342,267</u>	<u>1,468,870</u>
<b>TOTAL FUNDS</b>				<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 21<sup>st</sup> 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			-	80

**3. INCOME FROM CHARITABLE ACTIVITIES**

Activity	2023 £	2022 £
Apprentices & youth/adult training	1,168,726	1,110,880
Course fees	<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 Total activities £	2022 Total 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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Income from activities and services	1,187,630	-	1,187,630
Investment income	<u>80</u>	<u>-</u>	<u>80</u>
<b>Total</b>	1,187,710	-	1,187,710
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable expenditure	<u>1,170,084</u>	<u>126,603</u>	<u>1,296,687</u>
<b>NET INCOME/(EXPENDITURE)</b>	17,626	(126,603)	(108,977)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>1,439,958</u>	<u>1,595,473</u>	<u>3,035,431</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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 £
<b>COST</b>					
At 1 August 2022	4,804,380	3,374,845	42,984	713,397	8,935,606
Additions	<u>-</u>	<u>107,165</u>	<u>-</u>	<u>-</u>	<u>107,165</u>
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>
<b>DEPRECIATION</b>					
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>
<b>NET BOOK VALUE</b>					
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><u>271,787</u></u>	<u><u>122,925</u></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      1,243,896

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></u>	<u><u>8,439</u></u>

**14. MOVEMENT IN FUNDS**

	At 01.08.22	Net movement in funds	At 31.07.23
	£	£	£
<b>Unrestricted funds</b>			
General fund	1,457,584	124,495	1,582,079
<b>Restricted funds</b>			
The Core	1,468,870	(126,603)	1,342,267
	<u>2,926,454</u>	<u>(2,108)</u>	<u>2,924,346</u>
<b>TOTAL FUNDS</b>	<u><u>2,926,454</u></u>	<u><u>(2,108)</u></u>	<u><u>2,924,346</u></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 £
<b>Unrestricted funds</b>			
General fund	1,200,754	(1,076,259)	124,495
<b>Restricted funds</b>			
The Core	-	(126,603)	(126,603)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	1,439,958	17,626	1,457,584
<b>Restricted funds</b>			
The Core	1,595,473	(126,603)	1,468,870
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	1,187,710	(1,170,084)	17,626
<b>Restricted funds</b>			
The Core	-	(126,603)	(126,603)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	1,439,658	142,121	1,582,079
<b>Restricted funds</b>			
The Core	1,595,473	(253,206)	1,342,267
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	2,388,464	(2,246,343)	142,121
<b>Restricted funds</b>			
The Core	-	(253,206)	(253,206)
<b>TOTAL FUNDS</b>	<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
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Bank interest	-	80
<b>Charitable activities</b>		
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>
<b>Total incoming resources</b>	1,200,754	1,187,710
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
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
<b>Support costs Management</b>		
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
<b>Governance costs</b>		
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>
<b>Total resources expended</b>	<u>1,202,862</u>	<u>1,296,687</u>
<b>Net expenditure</b>	<u><u>(2,108)</u></u>	<u><u>(108,977)</u></u>