

Charity Registration No. 526139

Company Registration No. 00760011 (England and Wales)

**NORTH WEST TRAINING COUNCIL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**



# NORTH WEST TRAINING COUNCIL

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr G R Hunter	
	Sir R Watson CBE	
	Mrs A Hough	
	Mr P A Atkinson	(Appointed 5 February 2020)
	Mr D Bramwell	(Appointed 28 January 2021)
<b>Group Chief Executive Officer</b>	Mr S Cobain	
<b>Charity number</b>	526139	
<b>Company number</b>	00760011	
<b>Registered office</b>	Unit 33 Wellington Employment Park Dunes Way Liverpool L5 9RJ	
<b>Auditor</b>	McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	
<b>Bankers</b>	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
<b>Solicitors</b>	Brabners LLP Horton House Exchange Flags Liverpool Merseyside L2 3YL	

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# **NORTH WEST TRAINING COUNCIL**

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# **NORTH WEST TRAINING COUNCIL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 JULY 2020**

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The trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The charity's objects are set out in its articles of association. These are:

- To promote, advance and encourage the education of persons engaged in or about to be engaged in commerce and industry in the United Kingdom and in particular in the North West of England and North Wales and as all ancillary thereto;
- To promote, encourage and organise co operation between employers, employees, teachers, technical and other schools and colleges, and public and private educational authorities and bodies, in all matters relating to the education of persons engaged in commerce and industry;
- To hold, organise, promote, support and send representatives to courses, classes, discussions, meetings and conferences relating to the education of persons engaged in industry and commerce, and to print, publish, circulate and lend papers, reports, documents, books, pamphlets and periodicals relating to the education of such persons;
- To provide guidance and advice to employees in commerce and industry and to persons about to become such employees on matters relating to their education;
- To provide guidance and advice to employers in commerce and industry on matters relating to the education of their employees;
- To provide guidance and advice to teachers, technical and other schools and colleges, public and private educational institutions and organisations and to other interested persons, bodies and organisations on all matters relating to the education of persons engaged in or about to be engaged in commerce and industry;
- To encourage, develop and manage Group Training schemes in commerce and industry, to encourage, co ordinate and maintain inter change of apprentices and other pupils or students.

To meet these objectives over the period of the report and the following two years, the Council has identified several target activities, being:-

- The Council intends to deliver in association with employers continued opportunities to young persons in Merseyside and outlying areas;
- We will continue to provide a first-class learning environment for our learners, in terms of facilities, learning delivery and quality of our staff;
- We will continue to look to develop additional programmes within the engineering sectors;
- We intend to improve profitability in the short term and to provide the funds for capital investment in buildings and equipment;
- We will continue to be an organisation that staff enjoy belonging to.

#### **Public Benefit**

The Trustee Directors are of the opinion that the above clearly demonstrates that the Council has met the public benefit requirements. The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.



# **NORTH WEST TRAINING COUNCIL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2020**

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### **Achievements and performance**

This year has been an unprecedented and very turbulent year not only for North West Training Council (NWTC) but for the Country and indeed the World. The COVID-19 pandemic has affected us all deeply, resulting in challenges to the business that 12 months ago could never have been predicted and the company has reacted to these challenges to safeguard the future of the organisation.

With the onset of the COVID-19 pandemic and subsequent lockdown measures, student numbers at the training centre fell dramatically. Many employers that we have regular business with decided not to employ new apprentices for the start of the year due to the uncertainty posed by government restrictions however the specialist training centre has remained open for business for those students already committed to apprenticeship courses and we have supported employers with a blend of online and in centre training so that they can all continue with their apprenticeships.

The government has pledged to support training and upskilling and NWTC is optimistic that the student numbers can return to the upward growth of the pre pandemic years. NWTC has a very strong track record in delivering high quality apprenticeship training providing a positive experience to all learners.

### **Review of activities for FY 2019/20**

During the financial year NWTC has worked hard to continue the delivery of government funded and part funded apprenticeship training programmes. Programmes include Apprenticeships, Advanced Apprenticeships and Higher Apprenticeships. In addition NWTC delivers a wide range of commercial training programmes which it offers to member companies.

NWTC's high-tech training base in Liverpool has the equipment required to deliver training in the very latest approaches to manufacturing and engineering in addition to the more traditional engineering practices. Engineering roles covered include:

- Electrical Electronical Engineer
- Electrotechnical Installation / Maintenance Engineer
- Engineering Manufacturing Technician
- Fire, Emergency & Security Systems Engineer
- Food & Drink Maintenance Engineer
- Gas Engineer Technician
- Lift & Escalator Electromechanics
- Maintenance and Operations Engineering Technician
- Maintenance Engineer (Electrical or Mechanical)
- Manufacturing Engineer
- Mechatronics
- Science Industry Technician (Maintenance or Manufacturing)
- Toolmaking

NWTC secured £500k capital investment in the year 2019/20 from the Liverpool City Region Strategic Investment Fund which has facilitated the extension of the apprenticeship programme offered by the centre into Advance Manufacturing in the Food and Drink Industry. We continue to deliver the Engineering HNC technical certificate with student numbers remaining positive throughout the pandemic.



# **NORTH WEST TRAINING COUNCIL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 JULY 2020**

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#### **Financial review**

In the year to 31 July 2020, the group produced a surplus, before revaluation gains and actuarial loss on pension, of £165,258 (2019: surplus £2,830,236).

The total pension fund deficit, although of a long term nature, amounts to £1,315,000 increasing by £495,000 from the prior year.

At 31 July 2020 the group has net assets of £2,688,449 (2019: £3,003,192). Restricted reserves amount to £3,266,138 (2019: £3,051,338). Unrestricted reserves, incorporating designated funds and pension reserve deficit amount to a deficit of £577,689. (2019: Deficit £48,146).

The group currently have free reserves at a deficit of £105,085 (2019: 133,489). The trustees are hopeful to generate a surplus in the near future.

#### **Reserves Policy**

It is the Trustee Directors' continued intention to improve this position as finance becomes available with the intention of building a reserve fund to a level which would support at least three months trading. The Council's main funding comes via the Education Skills Funding Agency. The Council has a contract value of £1 million, which does not include any levy paying companies. Additional income comes in via the Council's commercial programmes. This is in three areas and consists of a Gas Training and Assessment centre based in Halewood (providing training and assessment for gas engineers), an AM2 Test centre also based in Halewood (providing testing facilities for Electrical Installation apprentices). Finally the Council's short course commercial programmes, providing a range of technical and Health and Safety training courses. The Council's main objectives are still to provide good solid Engineering and Construction training to the young people of Merseyside. This is carried out via the training facilities the Council has based in Sefton on Merseyside in partnership with a wide range of employers throughout the region. The Council currently has 400 apprentices in training.

#### **Risk Assessment**

The Trustee Directors have produced a risk assessment document for the Council. The Risk Assessment details the identified risks and the actions taken to mitigate against them. Insurance policies are in place to cover the normal commercial risks that the Council faces such as fire, flood, theft and employee and third party liability and professional liability.

#### **Future**

We have successfully moved into a new training facility in the Sandhills area of Liverpool which facilitates up to date and relevant training for the engineering and advanced manufacturing sector. We will continue to offer high class apprenticeships for this industry and this will be our primary focus; however, we plan to further expand our reach working with more national employers, specifically in the Food & Drink sector. We are exploring funding opportunities to deliver additional courses with a focus on a strategic partnership with a local FE College to deliver study programmes and making an application for Adult Education Budget in the next round of procurement. This will facilitate diversifying our offer in order to provide valuable upskilling and reskilling opportunities for local people.

We will continue to explore strategic partnerships to support our development and growth.



# **NORTH WEST TRAINING COUNCIL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2020**

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### **Going Concern Status**

The financial statements have been prepared on the going concern basis, which assumes that the charity will continue in operational existence for the foreseeable future.

The directors have considered the period of 12 months from the date of approval of these accounts and have reviewed cash flow forecasts prepared for the period. Details of this consideration are presented in the accounting policies.

Due to the Covid-19 pandemic and in line with Government's recommendations, NWTC training centre was closed from 23rd March 2020. NWTC's aim was to have minimal disruption to student learning and moved to on-line delivery where possible. Following the lifting of government restrictions, the centre was able to re-open and provide a blend of on-line learning and face to face workshop delivery in line with the recommendations for safety including social distancing.

Throughout all periods of government lockdown, NWTC has continued to be funded by the ESFA.

Having reviewed the cashflow forecasts for the group, it is the view of the Trustees and Senior Management that NWTC can continue in operational existence for the future and meet all liabilities as they fall due.

Trading in both NWTC and Commercial Services is much in line with our recent expectations with a positive cash position forecast for the end of the current financial year. Unfortunately, as with many businesses dealing with the challenges faced in the pandemic, cashflow has been severely impacted by the reduction in student numbers and delayed courses. We forecast that this challenge will improve as we bring any delayed courses back on track and increase the student intake over the next few years.

The focus for 2021/22 is to encourage all students to return to the training centre for academic learning. We have commitments for new starters from many of our current employers and we continue to review our apprenticeship offer and identify standards that could help us widen our reach and look to partner with other further education establishments to enter new markets for bootcamps and study programmes in 2022/23

### **Focus areas for the organisation for 2021/22:**

NWTC are currently reviewing curriculum plans and delivery models to ensure that our apprentices continue to receive high quality training that maps to the Education Inspection Framework. A key area of focus for the business is to continue to develop and grow our provision for the Food and Drink sector. We are successfully working with several national companies, winning additional contracts this year. We are working closely with the National Skills Academy for Food & Drink to ensure our training is of the highest quality and is relevant to the needs of the industry.

### **Structure, governance and management**

The Council's governing documents are:-

The Memorandum and Articles of Association of North West Training Council (formerly The Merseyside Training Council) as amended on 30th July 2003.

The Council is a company limited by guarantee and a registered charity, incorporated in England and Wales.

The Council has three subsidiary companies. These are:

NWTC Commercial Services Limited  
Merseyside Training Council Limited (dormant)  
Cosy Homes Limited (dormant)

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr R L W Holme

(Resigned 27 April 2021)

Mr G R Hunter



# **NORTH WEST TRAINING COUNCIL**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2020**

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Sir R Watson CBE

Mrs A Hough

Mr P A Atkinson

Mr D Bramwell

(Appointed 5 February 2020)

(Appointed 28 January 2021)

Trustee Directors are drawn from present or retired Directors and senior executives of companies that have had an association with the Council or persons of standing within the community who have an interest in industrial training. Volunteers to act as trustee directors are actively sought by a variety of methods. On appointment all trustee directors are provided with an induction and data pack which explains their duties and responsibilities as trustee directors and provides them with all the necessary information about the Council they need to fulfil their role. They are mentored by an existing member of the Board. The Trustee Directors are advised of seminars and other sources of information that will assist them in their role.

The Board of Trustee Directors sets the strategies for the Council and approves all plans formulated to meet these strategies. The day-to-day management of the Council is the responsibility of the Chief Executive, who has the necessary delegated authority from the Board. He is assisted by the Senior Management Team.

The Chief Executive has a detailed job description that clearly states the level of his delegated authority from the Board and all the senior managers similarly have detailed job descriptions that state their level of delegated responsibility.

The Council is governed by a Board of Trustee Directors, which meets at least quarterly to consider principally the Council's overall strategy and policy. A subgroup of three of the Trustee Directors, the Executive Management Committee, meets monthly with the Chief Executive to consider financial and operational results and any other matters affecting the Council's ongoing operations.

### **Remuneration for key management personnel**

The remuneration of all key management personnel is in line with market rates for the industry. We are a member of GTA England, a National group training association with more than 40 UK members. GTA England conducts annual salary surveys across its members and NWTC participates in these.

### **Auditor**

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



**Mr G R Hunter**

Trustee

Dated: 20 July 2021

# **NORTH WEST TRAINING COUNCIL**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 JULY 2020**

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The trustees, who are also the directors of North West Training Council for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



# **NORTH WEST TRAINING COUNCIL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF NORTH WEST TRAINING COUNCIL**

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#### **Opinion**

We have audited the financial statements of North West Training Council (the 'charity') and its subsidiaries for the year ended 31 July 2020 which comprise, the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the 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 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 group and charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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



# **NORTH WEST TRAINING COUNCIL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NORTH WEST TRAINING COUNCIL**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' 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 group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 group and charity'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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **NORTH WEST TRAINING COUNCIL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF NORTH WEST TRAINING COUNCIL**

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#### **Use of our report**

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



**Helen Furlong FCCA (Senior Statutory Auditor)**  
for and on behalf of McLintocks (NW) Limited

**Chartered Accountants**  
**Statutory Auditor**

27.07.2021

46 Hamilton Square  
Birkenhead  
Wirral  
Merseyside  
CH41 5AR

# NORTH WEST TRAINING COUNCIL

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
<b>Income and endowments from:</b>							
Donations and legacies	3	189,971	449,857	639,828	102,000	2,999,839	3,101,839
Charitable activities	5	2,273,648	-	2,273,648	2,116,399	-	2,116,399
Other trading activities	4	326,674	-	326,674	427,941	-	427,941
Investments	6	259	-	259	382	-	382
Other income	7	205,067	-	205,067	31,246	-	31,246
<b>Total income</b>		<b>2,995,619</b>	<b>449,857</b>	<b>3,445,476</b>	<b>2,677,968</b>	<b>2,999,839</b>	<b>5,677,807</b>
<b>Expenditure on:</b>							
Raising funds	8	399,264	-	399,264	418,982	-	418,982
Charitable activities	9	2,881,647	-	2,881,647	2,428,697	-	2,428,697
Loss on disposal of fixed assets		1,453	-	1,493	-	-	-
Taxation		(2,146)	-	(2,146)	(108)	-	(108)
<b>Total resources expended</b>		<b>3,280,218</b>	<b>-</b>	<b>3,280,218</b>	<b>2,847,571</b>	<b>-</b>	<b>2,847,571</b>



# NORTH WEST TRAINING COUNCIL

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

<b>Net (outgoing)/ incoming resources before transfers</b>	(284,599)	449,857	165,258	(169,603)	2,999,839	2,830,236
Gross transfers between funds	235,057	(235,057)	-	38,862	(38,862)	-
<b>Net (expenditure)/income for the year/ Net (outgoing)/incoming resources</b>	(49,542)	214,800	165,258	(130,741)	2,960,977	2,830,236
<b>Other recognised gains and losses</b>						
Actuarial loss on defined benefit pension schemes	(480,000)	-	(480,000)	(459,000)	-	(459,000)
<b>Net expenditure for the year/ Net movement in funds</b>	(529,542)	214,800	(314,742)	(589,741)	2,960,977	2,371,236
Fund balances at 1 August 2019	(48,147)	3,051,338	3,003,192	541,595	90,361	631,956
<b>Fund balances at 31 July 2020</b>	(577,689)	3,266,138	2,688,449	(48,146)	3,051,338	3,003,192

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

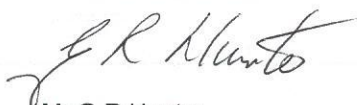
# NORTH WEST TRAINING COUNCIL

## CONSOLIDATED BALANCE SHEET


AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	13		4,108,534		3,956,681
<b>Current assets</b>					
Debtors	16	734,742		510,229	
Cash at bank and in hand		266,014		117,338	
		1,000,756		627,567	
<b>Creditors: amounts falling due within one year</b>	18	(957,415)		(749,910)	
Net current assets/(liabilities)			43,341		(122,343)
<b>Total assets less current liabilities</b>			4,151,875		3,834,338
<b>Creditors: amounts falling due after more than one year</b>	20		(139,426)		-
<b>Provisions for liabilities</b>	21		(1,324,000)		(831,146)
<b>Net assets</b>			2,688,449		3,003,192
<b>Income funds</b>					
Restricted funds	27		3,266,138		3,051,338
<u>Unrestricted funds</u>					
General unrestricted reserves	28	195,365		168,575	
Designated funds	28	541,946		603,279	
Revaluation reserve	28	-		-	
Pension reserve	28	(1,315,000)		(820,000)	
			(577,689)		(48,146)
			2,688,449		3,003,192

The financial statements were approved by the Trustees on 20 July 2021



Mr G R Hunter  
Trustee



Mr D Bramwell  
Trustee

Company Registration No. 00760011

# NORTH WEST TRAINING COUNCIL

## CHARITY BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	14	4,061,166		3,898,017	
		<u>4,061,166</u>		<u>3,898,017</u>	
<b>Current assets</b>					
Debtors	17	814,160		501,566	
Cash at bank and in hand		228,427		113,079	
		<u>1,042,587</u>		<u>614,645</u>	
<b>Creditors: amounts falling due within one year</b>	19	(901,739)		(673,217)	
Net current assets/(liabilities)			140,848		(58,572)
<b>Total assets less current liabilities</b>			4,202,014		3,839,445
<b>Creditors: amounts falling due after more than one year</b>	20	(137,466)		-	
<b>Provisions for liabilities</b>	22	(1,315,000)		(820,000)	
<b>Net assets</b>			<u>2,749,548</u>		<u>3,019,445</u>
<b>Income funds</b>					
Restricted funds	27	3,266,138		3,051,338	
<u>Unrestricted funds</u>					
General unrestricted funds	29	256,464		184,828	
Designated funds	29	541,946		603,279	
Revaluation reserve	29	-		-	
Pension reserve	29	(1,315,000)		(820,000)	
			<u>(516,590)</u>		<u>(31,893)</u>
			<u>2,749,548</u>		<u>3,019,445</u>

The financial statements were approved by the Trustees on 20 July 2021



Mr G R Hunter  
Trustee



Mr D Bramwell  
Trustee

Company Registration No. 00760011



# NORTH WEST TRAINING COUNCIL

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	36	492,672	2,995,301
<b>Investing activities</b>			
Purchase of tangible fixed assets		(533,783)	(3,797,943)
Proceeds on disposal of tangible fixed assets		12,000	892,725
Interest received		259	382
<b>Net cash used in investing activities</b>		(521,524)	(2,904,836)
<b>Financing activities</b>			
Payment of obligations under finance leases		177,528	-
<b>Net cash generated from/(used in) financing activities</b>		177,528	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		148,676	90,465
Cash and cash equivalents at beginning of year		117,338	26,873
<b>Cash and cash equivalents at end of year</b>		266,014	117,338

# **NORTH WEST TRAINING COUNCIL**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 JULY 2020**

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#### **1 Accounting policies**

##### **Charity information**

North West Training Council is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 33, Wellington Employment Park, Dunes Way, Liverpool, L5 9RJ. In the event of a winding up, the liability in respect of the guarantee is limited to £1 per member.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the group and the charity have 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. Since the year end it has been recognised that the Covid-19 Pandemic has had an adverse financial impact on the charity and will continue to do so in the near future. Notwithstanding that, the trustees are satisfied that the charity has adequate reserves and that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Assets given for use by the charity are recognised when receivable.



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

Income from charitable activities includes income received under contract or where entitlement to the grant funding is subject to performance conditions. Income is recognised in the Statement of Financial Activities when the related services have been provided, income in advance of those services being provided is deferred.

Income from capital grants is recognised when the charity has entitlement to the funds, any performance conditions have been met and the amount can be reliably measured.

Income from trading activities, includes income from fundraising events and trading activities to raise funds for the charity. Income is recognised when earned and the charity is entitled to the receipt.

#### 1.5 Expenditure

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	6.67% on cost
Plant and equipment	10% on cost
Fixtures and fittings	10% on cost
Computers	33.33% on cost
Motor vehicles	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# **NORTH WEST TRAINING COUNCIL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2020**

### **1 Accounting policies**

**(Continued)**

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.13 Taxation**

The charity is exempt from corporation tax on its charitable activities. Its subsidiary does not have charitable status and is therefore not exempt from corporation tax and deferred taxation.

Deferred taxation is provided on the liability to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 1 Accounting policies

(Continued)

##### 1.14 Basis of consolidation

The group financial statements consolidate the financial statements of North West Training Council and its subsidiaries, drawn up to 31 July 2019. The results of the subsidiary undertakings are consolidated from the date of acquisition to the dates of disposals.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of the subsidiary undertakings to bring the accounting policies used into line with those used by the parent charitable company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Advantage is being taken of Section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Financial Activities including Income and Expenditure Account.

##### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	72,924	-	72,924	-	-	-
SIF Grant	-	449,857	449,857	-	2,999,839	2,999,839
Donated goods and services	-	-	-	102,000	-	102,000
Job Retention Scheme	117,047	-	117,047	-	-	-
	<u>189,971</u>	<u>449,857</u>	<u>639,828</u>	<u>102,000</u>	<u>2,999,839</u>	<u>3,101,839</u>



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Canteen	35,002	35,153
Commercial	291,672	392,788
Other trading activities	326,674	427,941

### 5 Charitable activities

	Training 2020	Training 2019
	£	£
ESFA Income	1,494,042	1,110,006
Other training income	779,606	1,006,393
	2,273,648	2,116,399

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	259	382

### 7 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	-	27,725
Other income	205,067	3,521
	205,067	31,246

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Ceremonies & conventions	5,338	5,113
<u>Trading costs</u>		
Canteen	22,899	24,555
Operating trading company undertaking non-charitable trading activity	106,339	113,221
Staff costs	248,642	261,508
Depreciation and impairment	11,296	11,085
Support costs	4,750	3,500
Trading costs	393,926	413,869
	399,264	418,982

### 9 Charitable activities

	Training 2020	Training 2019
	£	£
Staff costs	1,302,974	1,276,551
Depreciation and impairment	357,076	75,276
Training costs	398,444	370,041
Premises costs	482,617	331,826
Administration costs	146,882	140,028
Other finance costs	15,000	107,000
	2,702,993	2,300,722
Share of support costs (see note 10)	106,190	100,005
Share of governance costs (see note 10)	72,464	27,970
	2,881,647	2,428,697



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 10 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	38,939	-	38,939	52,097	-	52,097
Finance	11,236	-	11,236	1,431	-	1,431
Marketing	14,602	-	14,602	7,526	-	7,526
Information technology	41,413	-	41,413	38,951	-	38,951
Audit fees & other services	-	42,067	42,067	-	18,033	18,033
Legal and professional	-	35,147	35,147	-	13,437	13,437
	<u>106,190</u>	<u>77,214</u>	<u>183,404</u>	<u>100,005</u>	<u>31,470</u>	<u>131,475</u>
Analysed between						
Trading	-	4,750	4,750	-	3,500	3,500
Charitable activities	106,190	72,464	178,654	100,005	27,970	127,975
	<u>106,190</u>	<u>77,214</u>	<u>183,404</u>	<u>100,005</u>	<u>31,470</u>	<u>131,475</u>

Support costs are apportioned as shown above. They are allocated on a basis consistent with the use of the resources.

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the charity during the year.

### 12 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Training & related administration	<u>51</u>	<u>53</u>
<b>Employment costs</b>	<b>2020 £</b>	<b>2019 £</b>
Wages and salaries	1,428,579	1,400,592
Social security costs	123,655	124,109
Other pension costs	38,321	65,455
	<u>1,590,555</u>	<u>1,590,156</u>

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 12 Employees

(Continued)

Pension costs comprise a top up contribution to North West Training Council Pension Scheme of £NIL (2019: £31,000) and £38,321 (2019: £34,455) to stakeholders pensions. At the year end the pension creditor was £21,279 (2019: £17,400).

The key management personnel of the group comprise the Chief Executive, the Head of Technical Education and H&S, the Head of Technical Training & Assessment, the Head of HR, Operational Quality, Administration & Safeguarding and Head of Finance. Total remuneration received during the year by key management personnel amounted to £261,030 (2019: £249,309).

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£70,001 - £80,000	1	1

Contributions totalling £3,126 (2019: £3,126) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2020

13 Tangible Assets - Group		Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
		£	£	£	£	£	£
<b>Cost</b>							
At 1 August 2019		2,681,622	1,606,055	42,426	47,271	2,200	4,379,574
Additions		195	446,462	10,169	76,957	-	533,783
Disposals		-	(21,875)	-	-	-	(21,875)
At 31 July 2020		2,681,817	2,030,642	52,595	124,228	2,200	4,891,482
<b>Depreciation and impairment</b>							
At 1 August 2019		32,072	329,814	36,358	22,448	2,200	422,892
Depreciation charged in the year		178,612	164,683	2,169	23,014	-	368,478
Eliminated in respect of disposals		-	(8,422)	-	-	-	(8,422)
At 31 July 2020		210,684	486,075	38,527	45,462	2,200	782,948
<b>Carrying amount</b>							
At 31 July 2020		2,471,133	1,544,567	14,068	78,766	-	4,108,534
At 31 July 2019		2,649,550	1,276,240	6,068	24,823	-	3,956,681

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

- 25 -



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 15 Fixed asset investments -Group undertakings

The charity owns the whole of the issued share capital of the following subsidiary undertakings all of which are registered in England and have the same registered office as the charity.

<u>Subsidiary</u>	<u>Principal activity</u>
NWTC Commercial Services Limited	Training services
Merseyside Training Council	Dormant
Cosy Homes Insulation Limited	Dormant

The carrying value of the investments in the financial statements is £NIL (2019:£NIL)

#### 16 Debtors - Group

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	406,388	254,652
Other debtors	107	19,282
Prepayments and accrued income	328,247	236,295
	<u>734,742</u>	<u>510,229</u>

#### 17 Debtors - Charity

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	314,570	191,582
Amounts owed by subsidiary undertakings	176,662	59,220
Other debtors	-	19,282
Prepayments and accrued income	322,928	231,482
	<u>814,160</u>	<u>501,566</u>

#### 18 Creditors: amounts falling due within one year - Group

	Notes	2020	2019
		£	£
Obligations under finance leases		40,062	-
Corporation tax payable		-	456
Other taxation and social security		96,671	78,045
Deferred income	25	126,753	190,279
Trade creditors		343,282	283,726
Other creditors		81,839	30,974
Accruals		268,808	166,430
		<u>957,415</u>	<u>749,910</u>

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 19 Creditors amounts falling due within one year - Charity

	Notes	2020 £	2019 £
Obligations under finance leases		40,062	-
Other taxation and social security		97,086	70,587
Deferred income	26	96,864	145,390
Trade creditors		323,580	264,326
Other creditors		81,839	30,974
Accruals		262,308	161,940
		<u>901,739</u>	<u>673,217</u>

### 20 Creditors: amounts falling due after more than one year - Group & Charity

	Notes	2020 £	2019 £
Obligations under finance leases		137,466	-
Deferred income	22	1,960	-
		<u>139,426</u>	<u>-</u>

### 21 Provisions for liabilities - Group

	Notes	2020 £	2019 £
Deferred tax liabilities	24	9,000	11,146
Retirement benefit obligations	27	1,315,000	820,000
		<u>1,324,000</u>	<u>831,146</u>

### 22 Provisions for liabilities - Charity

	Notes	2020 £	2019 £
Retirement benefit obligations	27	1,315,000	820,000
		<u>1,315,000</u>	<u>820,000</u>



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 23 Deferred taxation - Group

Deferred tax assets and liabilities are offset where the charity has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated Capital Allowances	9,000	11,146
	<u>9,000</u>	<u>11,146</u>
<b>Movements in the year:</b>		2020 £
Liability at 1 August 2019		11,146
Credit to profit or loss		(2,146)
Liability at 31 July 2020		<u>9,000</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

#### 24 Deferred income - Group

	2020 £	2019 £
Other deferred income	128,713	190,279
	<u>128,713</u>	<u>190,279</u>

Deferred income is included in the financial statements as follows:

	2020 £	2019 £
Balance at 1 August 2019	190,279	1,690,690
Amounts released to incoming resources	(190,279)	(1,690,690)
Amount deferred in year	128,713	190,279
Balance at 31 July 2020	<u>128,713</u>	<u>190,279</u>

Deferred income comprises income received in advance of delivery of the provision of training.

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 25 Deferred income - Charity

	2020 £	2019 £
Other deferred income	96,864	145,390

Deferred income is included in the financial statements as follows:

	2020 £	2019 £
Balance at 1 August 2019	145,390	113,601
Amounts released to incoming resources	(145,390)	(113,601)
Amount deferred in year	96,864	145,390
Balance at 31 July 2020	96,864	145,390

Deferred income comprises income received in advance of delivery of the provision of training.



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 26 Retirement benefit schemes - Group & Charity

#### Defined benefit schemes

North West Training Council (the Council) operates a defined benefit arrangement called the North West Training Council Pension Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for defined contributions schemes operated by the Council or any monies relating to AVC investments and insured pensions.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Council must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Scheme Funding Objective. The future contributions required to meet the Statutory Funding Objective do not currently affect the balance sheet of the Scheme in these accounts.

The latest comprehensive actuarial valuation of the Scheme was carried out as at 31 July 2019. The Council will make a contribution to the Scheme of £15,000 per annum by 31 October 2021, £31,870 per annum by 31 October 2022 and then contributions will increase annually from £31,870 per annum in line with the RPI inflation assumption each 1 November. The final contribution is payable by 31 March 2033. The next formal triennial valuation of the Scheme is due as at 31 July 2022.

The Scheme is managed by a Board of Trustees appointed in part by the Council and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The Scheme exposes the Council to a number of risks:

- Investment risk. The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide the real returns over the long-term the short-term volatility can cause additional funding to be required if deficits emerge.
- Interest rate risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short term could lead to deficits emerging.
- Mortality risk. In the event that members live longer than assumed, deficits may emerge in the Scheme.

There were no curtailments or settlements during the period.

Profile of defined benefit obligation:

The weighted average duration of the defined benefit obligation is 12 years.

Principal actuarial assumptions

	2020	2019
	%	%
Discount rate	1.25	1.95
Expected rate of increase of pensions in payment	3.00	3.30
Inflation assumption (RPI)	3.10	3.45
Inflation assumption (CPI)	2.30	2.65

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 26 Retirement benefit schemes - Group & Charity

(Continued)

Mortality - For 2020 & 2019 90% S3P/S2N x A tables, CMI 2018/2016 projections, 1.25%/1.5% p.a. long-term trend rate.

Commutation - For both 2020 & 2019 members are assumed to take 25% of their pension as tax free cash.

Proportion married at retirement or earlier death - For both 2020 & 2019 75% males, 70% females.

GMP equalisation allowance - For both 2020 & 2019 1.2% of Scheme assets.

The current asset split is as follows:

**Bid values  
as at 31.7.20  
£**

Equities	1,870,000
Bonds	5,519,000
Cash	130,000
<b>Total assets</b>	<b>7,519,000</b>

Amounts recognised in the profit and loss account:

	<b>2020 £</b>	<b>2019 £</b>
Past service costs	-	100,000
Interest on liabilities	164,000	206,000
Restriction on net interest income credited to the income statement	-	-
The effect of any curtailment or settlement	-	-
Interest on assets	(149,000)	(199,000)
<b>Total costs/(income)</b>	<b>15,000</b>	<b>107,000</b>

Amounts recognised in other recognised gains & losses:

	<b>2020 £</b>	<b>2019 £</b>
Actual return on scheme assets	-	-
Restriction on net interest income credited to the income statement	-	-
Losses/(gains) from changes to financial assumptions	584,000	702,000
Losses/(gains) from changes to demographic assumptions	52,000	-
Loss/(gains) on assets in excess of interest	14,000	(243,000)
Past service costs not yet recognised	-	-
Experience losses/(gains) on liabilities	(170,000)	-
Liability for minimum funding requirement	-	-
<b>Total costs/(income)</b>	<b>480,000</b>	<b>459,000</b>

Amounts recognised in the balance sheet:

**2020 2019**



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 26 Retirement benefit schemes - Group & Charity

(Continued)

	£	£
Present value of funded obligations	(8,834,000)	(8,665,000)
Fair value of assets	7,519,000	7,845,000
Deficit in scheme	(1,315,000)	(820,000)
Total liability recognised	(1,315,000)	(820,000)

Movements in the present value of defined benefit obligations:

	2020 £	2019 £
Liabilities at 1 August 2019	8,665,000	8,185,000
Past service cost	-	100,000
Benefits paid	(461,000)	(528,000)
Experience (gain) /loss on liabilities	(170,000)	-
Changes to financial assumptions	584,000	702,000
Interest on liabilities	164,000	206,000
Changes to demographic assumptions	52,000	-
At 31 July 2020	8,834,000	8,665,000

Sensitivity of the value placed on the liabilities:

	Approx effect on liability 2020 £
Discount rate:	
Discount rate +0.25%	(255,000)
Discount rate -0.25%	270,000
Inflation:	
Inflation +0.25%	80,000
Inflation -0.25%	(85,000)
Mortality:	
100% of base table	(400,000)
80% of base table	460,000

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 26 Retirement benefit schemes - Group & Charity

(Continued)

Movements in the fair value of plan assets:

	2020	2019
	£	£
Fair value of assets at 1 August 2019	7,845,000	7,900,000
Interest on assets	149,000	199,000
Return on plan assets less interest	(14,000)	243,000
Benefits paid	(461,000)	(528,000)
Contributions by the employer	-	31,000
Fair value of assets at 31 July 2020	7,519,000	7,845,000
Actual return on assets	135,000	

Projected profit & loss account for next year:

	Period to 31 July 2021
	£
Interest on liabilities	108,000
Interest on assets	(91,000)
Total	17,000

The above estimate is based on the assumptions adopted at the Review Date and assumes the following:

- Cashflows to and from the pension scheme are broadly the same as for the current period.
- There are no events (other than those already notified) that would give rise to a settlement, curtailment or past service cost.



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 27 Restricted funds - Group & Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at
	Incoming	Transfers	Balance at	Incoming	Transfers	Balance at	31 July 2020
	resources	£	1 August 2018	resources	£	1 August 2019	£
F J White Fund	-	-	12,013	-	-	12,013	12,013
Learning & Skills Council Grant	-	(1,790)	48,348	-	(1,790)	46,558	44,768
Sefton Capital Grant	-	(5,000)	30,000	-	(5,000)	25,000	20,000
Strategic Investment Fund - 2019	2,999,839	(32,072)	-	2,999,839	(32,072)	2,967,767	2,756,819
Strategic Investment Fund - Bid 2	-	-	-	-	-	-	432,538
	2,999,839	(38,862)	90,361	2,999,839	(38,862)	3,051,338	3,266,138

# **NORTH WEST TRAINING COUNCIL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2020**

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### **27 Restricted funds - Group & Charity**

**(Continued)**

F J White Fund - this represents money given to North West Training Council in 1983 to help disadvantaged trainees.

European Regional Development Grant - this represents funding received for plant and machinery in connection with the ESF project, which is to be written back to the income & expenditure account over the life of the asset.

Learning and Skills Council - this represents funding received for the new construction workshop facilities, which is to be written back to the income & expenditure account over the life of the asset

Sefton Capital Fund - this represents funding provided by Sefton Borough Council for the Charity to improve its existing asset base. The funds were allocated in 2014 and is being written off over the life of the assets.

Strategic Investment Fund (SIF) - this represents matched funding received from Liverpool City Region Combined Authority to assist with leasehold improvements to the new premises and purchase of new plant & equipment. The funds have been allocated in 2019 and are being written off over the life of the assets.

Strategic Investment Fund - Bid 2 (SIF) - this represents funding received from Liverpool City Region Combined Authority to assist with the purchase of new plant & equipment. The funds have been allocated in 2020 and are being written off over the life of the assets.

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 28 Unrestricted funds - Group

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds					
	Balance at 1 August 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 July 2020
	£	£	£	£	£	£
Unrestricted Funds - General	168,575	2,995,619	(3,265,219)	296,390	-	195,365
Unrestricted Funds - Pension Reserve	(820,000)	-	(15,000)	-	(480,000)	(1,315,000)
Designated Self funded re SIF Grant	603,279	-	-	(61,333)	-	541,946
	<u>(48,146)</u>	<u>2,995,619</u>	<u>(3,280,219)</u>	<u>235,057</u>	<u>(480,000)</u>	<u>(577,689)</u>

Comparative information in respect of the preceding period is as follows:

	Balance at 1 August 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 August 2019
	£	£	£	£	£	£
Revaluation Reserves - Properties	364,301	-	-	(364,301)	-	-
Unrestricted Funds - General	462,294	2,677,968	(2,771,571)	(200,116)	-	168,575
Unrestricted Funds - Pension Reserve	(285,000)	-	(76,000)	-	(459,000)	(820,000)
Designated Self funded re SIF Grant	-	-	-	603,279	-	603,279
	<u>541,595</u>	<u>2,677,968</u>	<u>(2,847,571)</u>	<u>38,862</u>	<u>(459,000)</u>	<u>(48,146)</u>



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

#### 29 Unrestricted funds - Charity

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2019	Incoming resources	Movement in funds			Balance at 31 July 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
Unrestricted Funds - General	184,828	2,703,947	(2,928,701)	296,390	-	256,464
Unrestricted Funds - Pension Reserve	(820,000)	-	(495,000)	-	-	(1,315,000)
Designated Self funded re SIF Grant	603,279	-	-	(61,333)	-	541,946
	<u>(31,893)</u>	<u>2,703,947</u>	<u>(3,423,701)</u>	<u>235,057</u>	<u>-</u>	<u>(516,590)</u>

Comparative information in respect of the preceding period is as follows:

	Balance at 1 August 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 August 2019
	£	£	£	£	£	£
Revaluation Reserves - Properties	364,301	-	-	(364,301)	-	-
Unrestricted Funds - General	478,655	2,318,975	(2,412,686)	(200,116)	-	184,828
Unrestricted Funds - Pension Reserve	(285,000)	-	(76,000)	-	(459,000)	(820,000)
Designated Self funded re SIF Grant	-	-	-	603,279	-	603,279
	<u>557,956</u>	<u>2,318,975</u>	<u>(2,488,686)</u>	<u>38,862</u>	<u>(459,000)</u>	<u>(31,893)</u>

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 30 Analysis of net assets between funds - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 July 2020 are represented by:						
Tangible assets	854,409	3,254,125	4,108,534	917,356	3,039,325	3,956,681
Current assets/ (liabilities)	31,328	12,013	43,341	(134,356)	12,013	(122,343)
Long term liabilities	(139,426)	-	(139,426)	-	-	-
Provisions and pensions	(1,324,000)	-	(1,324,000)	(831,146)	-	(831,146)
	<u>(577,689)</u>	<u>3,266,138</u>	<u>2,688,449</u>	<u>(48,146)</u>	<u>3,051,338</u>	<u>3,003,192</u>

### 31 Analysis of net assets between funds - Charity

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 July 2020 are represented by:						
Tangible assets	807,041	3,254,125	4,061,166	858,692	3,039,325	3,898,017
Current assets/ (liabilities)	128,835	12,013	140,848	(70,585)	12,013	(58,572)
Long term liabilities	(137,466)	-	(137,466)	-	-	-
Provisions and pensions	(1,315,000)	-	(1,315,000)	(820,000)	-	(820,000)
	<u>(516,590)</u>	<u>3,266,138</u>	<u>2,749,548</u>	<u>(31,893)</u>	<u>3,051,338</u>	<u>3,019,445</u>

# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 32 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

### 33 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	223,365	154,120
Between two and five years	830,434	994,156
In over five years	1,513,153	1,513,153
	<u>2,566,952</u>	<u>2,661,429</u>

### 34 Analysis of changes in net funds

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	117,338	148,676	266,014
Obligations under finance leases	-	(177,528)	(177,528)
	<u>117,338</u>	<u>(28,852)</u>	<u>88,486</u>

### 35 Subsidiaries

North West Training Council has three wholly owned subsidiaries all of which are incorporated in the UK.

NWTC Commercial Services Limited  
Merseyside Training Council Limited (Dormant)  
Cosy Homes (Dormant)

Only NWTC Commercial Services Limited was active in the year, its only source of income being the provision of commercial training. A summary of the trading subsidiary's results are shown below:

	2020 £	2019 £
Turnover	291,672	392,787
Expenditure	(338,663)	(392,787)
(Loss)/Profit before taxation	(46,991)	-
Taxation	2,146	108
Retained (loss)/profit	<u>(44,845)</u>	<u>108</u>



# NORTH WEST TRAINING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 35 Subsidiaries

(Continued)

Aggregate assets and liabilities

Fixed assets	47,367	58,664
Current assets	135,245	72,140
Current liabilities	(232,751)	(135,912)
Non current liabilities	(1,960)	-
Provisions for liabilities	(9,000)	(11,146)
	<u>(61,099)</u>	<u>(16,254)</u>

### 36 Cash generated from operations

2020

2019

£

£

(Deficit)/surplus for the year	165,258	2,830,236
Adjustments for:		
Investment income recognised in statement of financial activities	(259)	(382)
Loss/(gain) on disposal of tangible fixed assets	1,453	(27,725)
Depreciation and impairment of tangible fixed assets	368,372	86,361
Taxation movement	(2,038)	-
Difference between pension charge and cash contributions	15,000	76,000
Movements in working capital:		
(Increase) in debtors	(224,513)	(231,618)
Increase creditors	230,965	262,993
Increase/(decrease) in provisions	(61,566)	(564)
<b>Cash (absorbed by)/generated from operations</b>	<u><u>492,672</u></u>	<u><u>2,995,301</u></u>

