

Charity registration number 526139

Company registration number 00760011 (England and Wales)

NORTH WEST TRAINING COUNCIL
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023



McIntocks
Xeinadin Group

NORTH WEST TRAINING COUNCIL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Hough	
	Ms C Mawdsley	(Appointed 1 October 2022)
	Mr D W Crosby	(Appointed 1 October 2022)
Group Chief Executive Officer	Mr J Killen (appointed April 2023)	
Charity number	526139	
Company number	00760011	
Registered office	Unit 33 Wellington Employment Park Dunes Way Liverpool L5 9RJ	
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool Merseyside L2 3YL	

NORTH WEST TRAINING COUNCIL

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NORTH WEST TRAINING COUNCIL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2023

The trustees present their annual report and consolidated financial statements for the year ended 31 July 2023.

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 council'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 council'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 in the longer term;
- We will continue to be an organisation that staff enjoy belonging to.
- We will seek to partner with a local college to improve our offer to our apprentices and to develop a programme which includes additional courses for our employers to cover their whole manufacturing and engineering needs.

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 2023

Achievements and performance

This year has seen recruitment at NWTC begin to improve and we are seeing numbers return to pre- pandemic levels, with employers recruiting for apprentices again. We are seeing strong growth in both the Food & Drink sector as well as Mechanical Engineering – particularly in mechatronics and toolmaking.

NWTC continues to deliver government funded and part funded apprenticeship training programmes as well as commercial training to employers. The organisation has worked hard this year to look at improving efficiency and streamlining the apprenticeship offer to make sure operations are cost effective and of high quality. Growth areas have been identified and available resources have been used to target recruitment in these areas.

NWTC is also seeing the benefit from previous grant funding opportunities and is now effectively using new equipment and resources both to enhance existing learning experiences as well as to attract new business. NWTC is currently one of the most modern and well-equipped advanced manufacturing and engineering ITPs in the region.

NWTC continues to track against its 5-year strategy which now aims to grow the organisation from a solid foundation, focusing on engineering. As part of this strategy, NWTC has joined the Hugh Baird college group. Hugh Baird college is a well-respected, local FE College with a diverse educational offering. Both parties seeing the opportunity to develop a strong strategic partnership which will support growth programmes that benefit both the LCR and the North West, and diversification into other areas of engineering training such as study programme, T'Levels, National Skills Fund and further development of the AEB offering.

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/Electronic 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

Financial review

In the year to 31 July 2023, the group produced a loss, before revaluation gains and actuarial gain on pension, of £51,980 (2022: loss £466,084).

The total pension fund surplus, although of a long term nature, amounts to £734,000 compared to deficit of £302,000 in the prior year.

At 31 July 2023 the group has net assets of £3,593,198 (2022: £3,257,178). Restricted reserves amount to £2,435,666 (2022: £2,712,284). Unrestricted reserves, incorporating designated funds and pension reserve surplus amount to a surplus of £1,157,532 (2022: surplus £544,894).

The group currently have free reserves of £65,084 (2022: deficit £176,720).

NORTH WEST TRAINING COUNCIL

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

FOR THE YEAR ENDED 31 JULY 2023

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, and subcontracted ESFA services. 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 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 the Sandhills area of Liverpool in partnership with a wide range of employers throughout the region. The Council currently has 362 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 will continue to 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.

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.

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. Cashflow continues to be impacted by the reduced student numbers intake for 2020-21 and delayed completion dates. We forecast that this challenge will improve as we bring course completions back up to date and increase the student intake over the next few years.

The focus for 2024 is to build on our revised and consolidated offer, continuing to improve efficiencies and effective delivery for our apprentices. Curriculum plans and delivery models have been revised to map effectively to the Education Inspection framework, which will improve learner satisfaction and further improve the reputation of NWTC, continuing to attract new businesses that will benefit from the state-of-the-art facilities and expert tutors.

NWTC will develop its strategic partnership and begin to deliver training in areas outside of apprenticeships – namely AEB, study programme and National Skills fund. This will allow us to support the LCR in upskilling and reskilling the adult workforce and support employability.

NORTH WEST TRAINING COUNCIL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Focus areas for the organisation for 2023/24

NWTC has appointed a new CEO during the year and has begun a process of systematically updating and reviewing our business processes, to drive efficiencies, improve Quality Assurance and deliver closer links with employers and the LCR.

In addition to the ESFA apprenticeships income streams, we are working with partners to deliver AEB funded programmes, Bootcamp funded programmes and to increase the volume of upskilling/cross skilling commercially procured training in line with demand. We have also successfully re-bid our sub-contract arrangements with other larger providers to support their apprenticeship training provision within the LCR.

We have commissioned a new 'flythrough' and video which is posted on our website and also on LinkedIn, as part of our strategy to increase engagement with local employers and to promote our facilities within the LCR. We held a highly successful 'launch' event in October where Steve Rotheram, Metro Mayor of the Liverpool City Region formally opened our facility and supported our apprentices awards event which was well supported by employers.

Our continued work with the NSAFD has underpinned our presence in the Food & Drink sector and re-enforced our position as one of the leading and most experienced providers of the FDEM standard in the UK. We currently work with an increasing number of national food and drink companies, winning additional contracts this year.

Our reputation for excellent facilities and high-quality training has ensured that we continue to increase the scope of our apprenticeship provision, whilst also engaging with employers in the LCR and surrounding areas to understand and offer solutions to additional training needs.

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:

Mrs A Hough	
Mr P A Atkinson	(Resigned 27 February 2023)
Mr D Bramwell	(Resigned 1 October 2022)
Mr S Claus	(Resigned 18 January 2023)
Ms C Mawdsley	(Appointed 1 October 2022)
Mr D W Crosby	(Appointed 1 October 2022)

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.

NORTH WEST TRAINING COUNCIL

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

FOR THE YEAR ENDED 31 JULY 2023

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.

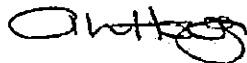
Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

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.



Mrs A Hough
Trustee

4 December 2023

NORTH WEST TRAINING COUNCIL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2023

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 council 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 council 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 council 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 council 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 MEMBERS OF NORTH WEST TRAINING COUNCIL

Opinion

We have audited the financial statements of North West Training Council (the 'council') and its subsidiaries for the year ended 31 July 2023 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 2023 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 council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the council'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.

NORTH WEST TRAINING COUNCIL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH WEST TRAINING COUNCIL

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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 council 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 council 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 council'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.

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

NORTH WEST TRAINING COUNCIL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH WEST TRAINING COUNCIL

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge and experience of charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

NORTH WEST TRAINING COUNCIL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH WEST TRAINING COUNCIL



**Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited**

6 December 2023

**Accountants
Statutory Auditor**

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

NORTH WEST TRAINING COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	3	-	-	-	9,900	-	9,900
Charitable activities	4	2,901,402	-	2,901,402	2,291,489	-	2,291,489
Other trading activities	5	302,824	-	302,824	339,595	-	339,595
Investments	6	430	-	430	119	-	119
Other income	7	134,385	-	134,385	(1,450)	-	(1,450)
Total income		3,339,041	-	3,339,041	2,639,653	-	2,639,653
Expenditure on:							
Raising funds	8	380,313	-	380,313	387,194	-	387,194
Charitable activities	9	3,015,377	-	3,015,377	2,720,698	-	2,720,698
Taxation		(4,669)	-	(4,669)	(2,155)	-	(2,155)
Total resources expended		3,391,021	-	3,391,021	3,105,737	-	3,105,737

NORTH WEST TRAINING COUNCIL

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

FOR THE YEAR ENDED 31 JULY 2023

Net outgoing resources before transfers	(51,980)	-	(51,980)	(466,084)	-	(466,084)
Gross transfers between funds	276,618	(276,618)	-	281,489	(281,489)	-
Net Income/(expenditure) for the year/ Net Incoming/(outgoing) resources	224,638	(276,618)	(51,980)	(184,595)	(281,489)	(466,084)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	388,000	-	388,000	619,000	-	619,000
Net expenditure for the year/Net movement in funds	612,638	(276,618)	336,020	434,405	(281,489)	152,916
Fund balances at 1 August 2022	544,894	2,712,284	3,257,179	110,489	2,993,773	3,104,262
Fund balances at 31 July 2023	<u>1,157,532</u>	<u>2,435,666</u>	<u>3,593,198</u>	<u>544,894</u>	<u>2,712,284</u>	<u>3,257,178</u>

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

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		2,952,938		3,337,152
Current assets					
Debtors	16	680,191		423,637	
Cash at bank and in hand		220,990		244,868	
		901,181		668,505	
Creditors: amounts falling due within one year	18	(858,009)		(770,289)	
Net current assets/(liabilities)			43,172		(101,784)
Total assets less current liabilities			2,996,110		3,235,368
Creditors: amounts falling due after more than one year	20		(136,912)		(275,521)
Provisions for liabilities	22		-		(4,669)
Net assets excluding pension surplus			2,859,198		2,955,178
Defined benefit pension surplus	27		734,000		302,000
Net assets			3,593,198		3,257,178
Income funds					
Restricted funds	28		2,435,666		2,712,284
<u>Unrestricted funds</u>					
General unrestricted reserves	29	65,084		(176,720)	
Designated funds	29	358,448		419,614	
Pension reserve	29	734,000		302,000	
			1,157,532		544,894
			3,593,198		3,257,178

The financial statements were approved by the Trustees on 4 December 2023



Mrs A Hough
Trustee

Company Registration No. 00760011

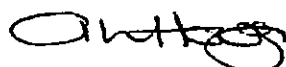
NORTH WEST TRAINING COUNCIL

CHARITY BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14	2,939,494		3,312,576	
		<u>2,939,494</u>		<u>3,312,576</u>	
Current assets					
Debtors	17	922,211		635,549	
Cash at bank and in hand		171,737		188,097	
		<u>1,093,948</u>		<u>823,646</u>	
Creditors: amounts falling due within one year	19	(776,951)		(719,780)	
Net current assets			316,997		103,866
Total assets less current liabilities			3,256,491		3,416,442
Creditors: amounts falling due after more than one year	20	(136,912)		(275,521)	
Net assets excluding pension surplus			3,119,579		3,140,921
Defined benefit pension surplus	27	734,000		302,000	
Net assets		<u>3,853,579</u>		<u>3,442,921</u>	
Income funds					
Restricted funds	28	2,435,666		2,712,284	
<u>Unrestricted funds</u>					
General unrestricted funds	30	325,465		9,023	
Designated funds	30	358,448		419,614	
Pension reserve	30	734,000		302,000	
		<u>1,417,913</u>		<u>730,637</u>	
		<u>3,853,579</u>		<u>3,442,921</u>	

The financial statements were approved by the Trustees on 4 December 2023



Mrs A Hough
Trustee

Company Registration No. 00760011

NORTH WEST TRAINING COUNCIL

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	37		103,880		4,421
Investing activities					
Purchase of tangible fixed assets		(5,323)		(1,615)	
Proceeds on disposal of tangible fixed assets		-		32,350	
Interest received		430		119	
Net cash (used in)/generated from investing activities			(4,893)		30,854
Financing activities					
Repayment of borrowings		(51,836)		(47,390)	
Payment of obligations under finance leases		(71,029)		(68,851)	
Net cash used in financing activities			(122,865)		(116,241)
Net (decrease)/increase in cash and cash equivalents			(23,878)		(80,966)
Cash and cash equivalents at beginning of year			244,868		325,834
Cash and cash equivalents at end of year			<u>220,990</u>		<u>244,868</u>

NORTH WEST TRAINING COUNCIL

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Critical accounting estimates and judgements

In the application of the council'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.

2 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.

2.1 Accounting convention

The financial statements have been prepared in accordance with the council'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 council is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group and the council have adequate resources to continue to operate for the foreseeable future. Therefore the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 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 or grantors 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.

2.4 Income

Income is recognised when the council 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 council 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 council are recognised when receivable.

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

2 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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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.

2.6 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

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

2 Accounting policies

(Continued)

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 the statement of financial activities.

2.7 Impairment of fixed assets

At each reporting end date, the council 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).

2.8 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.

2.9 Financial instruments

The council 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 council's balance sheet when the council 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 council's contractual obligations expire or are discharged or cancelled.

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

2 Accounting policies

(Continued)

2.10 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 council is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11 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.

2.12 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.

2.13 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 2023

2 Accounting policies

(Continued)

2.14 Basis of consolidation

The group financial statements consolidate the financial statements of North West Training Council and its subsidiaries, drawn up to 31 July 2023. 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.

2.15 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.

3 Donations and legacies

	Total Unrestricted funds	
	2023	2022
	£	£
Job Retention Scheme	-	9,900

4 Charitable activities

	Training 2023	Training 2022
	£	£
ESFA Income	1,772,591	1,789,592
Other training income	1,128,811	501,897
	<u>2,901,402</u>	<u>2,291,489</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Canteen	57,356	32,371
Commercial	245,468	307,224
Other trading activities	302,824	339,595

6 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	430	119

7 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	134,385	(1,450)

Other income includes VAT recoverable of £132,549.

8 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Ceremonies & conventions	146	662

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

8 Raising funds (Continued)

<u>Trading costs</u>		
Canteen	20,521	18,865
Operating trading company undertaking non-charitable trading activity	99,940	110,535
Staff costs	222,349	241,679
Depreciation and impairment	11,132	11,339
Support costs	26,225	4,114
	<hr/>	<hr/>
Trading costs	380,167	386,532
	<hr/>	<hr/>
	380,313	387,194
	<hr/>	<hr/>

9 Charitable activities

	Training 2023 £	Training 2022 £
Staff costs	1,206,045	1,136,116
Depreciation and impairment	378,405	391,882
Training costs	665,743	446,167
Premises costs	337,619	303,120
Administration costs	137,234	138,842
Other finance costs	(11,000)	5,000
	<hr/>	<hr/>
	2,714,046	2,421,127
	<hr/>	<hr/>
Share of support costs (see note 10)	237,010	241,192
Share of governance costs (see note 10)	64,321	58,379
	<hr/>	<hr/>
	3,015,377	2,720,698
	<hr/>	<hr/>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

10 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	147,357	-	147,357	147,597	-	147,597
Finance	27,811	-	27,811	21,939	-	21,939
Marketing	293	-	293	6,241	-	6,241
Information technology	61,549	-	61,549	65,415	-	65,415
Audit fees	-	36,300	36,300	-	32,000	32,000
Legal and professional	-	54,246	54,246	-	30,493	30,493
	<u>237,010</u>	<u>90,546</u>	<u>327,556</u>	<u>241,192</u>	<u>62,493</u>	<u>303,685</u>
Analysed between						
Trading	-	26,225	26,225	-	4,114	4,114
Charitable activities	<u>237,010</u>	<u>64,321</u>	<u>301,331</u>	<u>241,192</u>	<u>58,379</u>	<u>299,571</u>
	<u>237,010</u>	<u>90,546</u>	<u>327,556</u>	<u>241,192</u>	<u>62,493</u>	<u>303,685</u>

Included in governance costs are fees for group non audit services of £6,800 (2022: £6,000).

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

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Training & related administration	<u>43</u>	<u>45</u>
Employment costs	2023	2022
	£	£
Wages and salaries	1,402,530	1,361,838
Social security costs	108,271	111,660
Other pension costs	64,950	51,894
	<u>1,575,751</u>	<u>1,525,392</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

11 Employees

(Continued)

Pension costs comprise a top up contribution to North West Training Council Pension Scheme of £35,356 (2022: £26,248) and £29,594 (2022: £25,646) to stakeholders pensions. At the year end the pension creditor was £8,059 (2022: £7,660).

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 £392,698 (2022: £416,890).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£80,001 - £90,000	-	1
£60,001 - £70,000	-	1
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000 during the year.

Contributions totalling £Nil (2022: £1,321) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

12 Trustees

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

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

13 Tangible Assets - Group	Leasehold improvements		Plant and equipment		Fixtures and fittings		Computers		Motor vehicles		Total	
	£	£	£	£	£	£	£	£	£	£	£	£
Cost												
At 1 August 2022	2,682,558	2,049,112	62,224	144,695	2,200	4,940,789						
Additions	-	2,895	2,428	-	-	5,323						
At 31 July 2023	2,682,558	2,052,007	64,652	144,695	2,200	4,946,112						
Depreciation and impairment												
At 1 August 2022	576,007	859,116	45,050	121,264	2,200	1,603,637						
Depreciation charged in the year	181,412	184,008	2,704	21,413	-	389,537						
At 31 July 2023	757,419	1,043,124	47,754	142,677	2,200	1,993,174						
Carrying amount												
At 31 July 2023	1,925,139	1,008,883	16,898	2,018	-	2,952,938						
At 31 July 2022	2,106,550	1,189,996	17,175	23,431	-	3,337,152						

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

14 Tangible Assets - Charity									
	Cost	Leasehold Improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total		
	£	£	£	£	£	£	£		
At 1 August 2022	2,682,558	1,939,318	62,224	143,744	2,200	4,830,044			
Additions	-	2,895	2,428	-	-	5,323			
At 31 July 2023	2,682,558	1,942,213	64,652	143,744	2,200	4,835,367			
Depreciation and impairment									
At 1 August 2022	576,007	773,898	45,050	120,313	2,200	1,517,468			
Depreciation charged in the year	181,412	172,876	2,704	21,413	-	378,405			
At 31 July 2023	757,419	946,774	47,754	141,726	2,200	1,895,873			
Carrying amount									
At 31 July 2023	1,925,139	995,439	16,898	2,018	-	2,939,494			
At 31 July 2022	2,106,551	1,165,420	17,174	23,431	-	3,312,576			

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

15 Fixed asset Investments -Group undertakings

The charity owns the whole of the issued share capital of the following subsidiary undertaking of which is registered in England and has the same registered office as the charity.

<u>Subsidiary</u>	<u>Principal activity</u>
NWTC Commercial Services Limited	Training services

The carrying value of the investments in the financial statements is £NIL (2022:£NIL)

16 Debtors - Group

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	241,906	309,392
Other debtors	150,758	-
Prepayments and accrued income	287,527	114,245
	<u>680,191</u>	<u>423,637</u>

17 Debtors - Charity

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	169,272	259,407
Amounts owed by subsidiary undertakings	322,665	267,257
Other debtors	146,096	-
Prepayments and accrued income	284,178	108,885
	<u>922,211</u>	<u>635,549</u>

18 Creditors: amounts falling due within one year - Group

	Notes	2023 £	2022 £
Obligations under finance leases		77,693	69,079
Bank loans		56,698	49,568
Other taxation and social security		34,361	76,453
Deferred income	25	74,483	146,797
Trade creditors		165,143	26,771
Other creditors		118,532	108,327
Accruals		331,099	293,294
		<u>858,009</u>	<u>770,289</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

19 Creditors amounts falling due within one year - Charity

	Notes	2023 £	2022 £
Obligations under finance leases		77,693	69,079
Bank Loans		56,698	49,568
Other taxation and social security		35,736	74,559
Deferred income	26	48,307	123,586
Trade creditors		140,697	9,367
Other creditors		117,490	108,327
Accruals		300,330	285,294
		<u>776,951</u>	<u>719,780</u>

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

	Notes	2023 £	2022 £
Obligations under finance leases		77,369	157,012
Bank Loans		59,543	118,509
		<u>136,912</u>	<u>275,521</u>

21 Loans and overdrafts - Group & Charity

	2023 £	2022 £
Bank loans	<u>116,241</u>	<u>168,077</u>
Payable within one year	56,698	49,568
Payable after one year	<u>59,543</u>	<u>118,509</u>

NWTC has 2 CBILS loans with Close Brothers Finance which are both secured by a fixed charge on certain plant & machinery.

The loans are repayable over 48 and 60 months with fixed monthly payments of £2,613 and £2,792 respectively.

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

22	Provisions for liabilities - Group	Notes	2023 £	2022 £
	Deferred tax liabilities	24	-	4,669
	Retirement benefit obligations	27	-	-
			<u>-</u>	<u>4,669</u>

23	Provisions for liabilities - Charity		2023 £	2022 £
	Retirement benefit obligations	27	-	-
			<u>-</u>	<u>-</u>

This year defined benefit pension surplus of £734,000 has been reported. (2022: surplus £302,000)

24 Deferred taxation - Group

Deferred tax assets and liabilities are offset where the council 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 2023 £	Liabilities 2022 £
Balances:		
Accelerated Capital Allowances	-	4,669
	<u>-</u>	<u>4,669</u>
Movements in the year:		2023 £
Liability/(Asset) at 1 August 2022		(4,669)
Charge to profit & loss		4,669
		<u>-</u>
Liability at 31 July 2023		<u>-</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

25 Deferred income - Group

	2023 £	2022 £
Other deferred income	74,483	146,797

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Balance at 1 August 2022	146,797	109,624
Amounts released to incoming resources	(134,623)	(88,525)
Amount deferred in year	62,309	125,698
Balance at 31 July 2023	74,483	146,797

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

26 Deferred income - Charlty

	2023 £	2022 £
Other deferred income	48,307	123,586

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Balance at 1 August 2022	123,586	55,408
Amounts released to incoming resooources	(111,413)	(34,310)
Amount deferred in year	36,134	102,488
Balance at 31 July 2023	48,307	123,586

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 2023

27 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 meet the Scheme Funding Objective.

The Trustees and the Council are in the process of finalising the actuarial valuation as at 31 July 2022. In the event that the valuation reveals a larger deficit than expected, the Council may be required to increase contributions above set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it's possible that contributions may be reduced.

Based on preliminary discussions with the Trustees, the Council expects to pay contributions of £33,820 in the year to 31 July 2024.

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.

There were no plan amendments, curtailments or settlements during the period.

Risk mitigation strategies:

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 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 the members live longer than assumed, deficits may emerge in the Scheme.

Profile of defined benefit obligation:

The weighted average duration of the defined benefit obligation is 8 years.

Figures for disclosure in the accounts for the period ended 31 July 2023 under FRS102. Results are shown in pounds, rounded to the nearest £1,000:

Principal actuarial assumptions

	2023	2022
	%	%
Discount rate	5.25	3.55
Expected rate of increase of pensions in payment	3.30	3.35
Inflation assumption (RPI)	3.40	3.50
Inflation assumption (CPI)	2.90	3.00

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

27 Retirement benefit schemes - Group & Charity

(Continued)

Mortality - For 2023 & 2022 100% S3PA tables, CMI 2022/2019 projections, 1.25% p.a., nil initial addition & default other parameters.

Commutation - For both 2023 & 2022 members are assumed to take 25% of their pension as tax free cash.

Proportion married at retirement or earlier death - For both 2023 & 2022 75% males, 70% females.

GMP equalisation allowance - For both 2023 & 2022 1.2% of Scheme liabilities.

The current asset split is as follows:

	Bid values as at 31.7.23 £
Equities	1,467,000
Bonds	4,343,000
Cash	79,000
Total assets	<u>5,889,000</u>

Amounts recognised in the profit and loss account:

	2023 £	2022 £
Past service costs	-	-
Interest on liabilities	200,000	116,000
Restriction on net interest income credited to the income statement	-	-
The effect of any curtailment or settlement	-	-
Interest on assets	(211,000)	(111,000)
Total costs/(income)	<u>(11,000)</u>	<u>5,000</u>

Amounts recognised in other recognised gains & losses:

	2023 £	2022 £
Actual return on scheme assets	-	-
Restriction on net interest income credited to the income statement	-	-
Losses/(gains) from changes to financial assumptions	(928,000)	(1,352,000)
Losses/(gains) from changes to demographic assumptions	(126,000)	-
Loss/(gains) on assets in excess of interest	395,000	733,000
Past service costs not yet recognised	-	-
Experience losses/(gains) on liabilities	271,000	-
Liability for minimum funding requirement	-	-
Total costs	<u>(388,000)</u>	<u>(619,000)</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

27 Retirement benefit schemes - Group & Charity

(Continued)

Amounts recognised in the balance sheet:

	2023 £	2022 £
Present value of funded obligations	(5,155,000)	(6,220,000)
Fair value of assets	5,889,000	6,522,000
Surplus in scheme	734,000	302,000
Total asset recognised	734,000	302,000

Movements in the present value of defined benefit obligations:

	2023 £	2022 £
Liabilities at 1 August 2022	6,220,000	7,951,000
Benefits paid	(482,000)	(495,000)
Experience (gain) /loss on liabilities	271,000	-
Changes to financial assumptions	(928,000)	(1,352,000)
Interest on liabilities	200,000	116,000
Changes to demographic assumptions	(126,000)	-
At 31 July 2023	5,155,000	6,220,000

Sensitivity of the value placed on the liabilities:

	Approx effect on liability 2023 £
Discount rate:	
Discount rate +0.25%	(97,000)
Discount rate -0.25%	100,000
Inflation:	
Inflation +0.25%	31,000
Inflation -0.25%	(29,000)
Mortality:	
90% of base table	218,000
110% of base table	(195,000)

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

27 Retirement benefit schemes - Group & Charity

(Continued)

Movements in the fair value of plan assets:

	2023 £	2022 £
Fair value of assets at 1 August 2022	6,522,000	7,611,000
Interest on assets	211,000	111,000
Return on plan assets less interest	(395,000)	(733,000)
Benefits paid	(482,000)	(495,000)
Contributions by the employer	33,000	28,000
Fair value of assets at 31 July 2023	5,889,000	6,522,000
Actual return on assets	(184,000)	

Projected profit & loss account for next year:

	Period to 31 July 2024 £
Interest on liabilities	258,000
Interest on assets	(298,000)
Total	(40,000)

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

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

28 Restricted funds - Group & Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 August 2021 £	Transfers £	Balance at 1 August 2022 £	Transfers £	Balance at 31 July 2023 £
F J White Fund	12,013	-	12,013	-	12,013
Learning & Skills Council Grant	42,978	(1,790)	41,188	(1,790)	39,398
Sefton Capital Grant	15,000	(5,000)	10,000	(5,000)	5,000
Strategic Investment Fund - 2019	2,540,689	(213,612)	2,327,077	(213,612)	2,113,465
Strategic Investment Fund - Bid 2	383,093	(61,087)	322,006	(56,216)	265,790
	2,993,773	(281,489)	2,712,284	(276,618)	2,435,666

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

28 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 2023

29 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:

	Balance at 1 August 2022 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Gains and losses £	Balance at 31 July 2023 £
Unrestricted Funds - General	(176,720)	3,339,041	(3,435,021)	337,784	-	65,084
Unrestricted Funds - Pension Reserve	302,000	-	44,000	-	388,000	734,000
Designated Self funded re SIF Grant	419,614	-	-	(61,166)	-	358,448
	<u>544,894</u>	<u>3,339,041</u>	<u>(3,391,021)</u>	<u>276,618</u>	<u>388,000</u>	<u>1,157,532</u>

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

	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Balance at 1 August 2022 £
Unrestricted Funds - General	(30,290)	2,639,653	(3,128,737)	342,654	-	(176,720)
Unrestricted Funds - Pension Reserve	(340,000)	-	23,000	-	619,000	302,000
Designated Self funded re SIF Grant	480,780	-	-	(61,166)	-	419,614
	<u>110,490</u>	<u>2,639,653</u>	<u>(3,105,737)</u>	<u>281,488</u>	<u>619,000</u>	<u>544,894</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

30 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 2022	Incoming resources	Movement in funds			Balance at 31 July 2023
	£	£	Resources expended	Transfers	Gains and losses	£
			£	£	£	
Unrestricted Funds - General	9,023	3,093,468	(3,114,810)	337,784	-	325,465
Unrestricted Funds - Pension Reserve	302,000	-	44,000	-	388,000	734,000
Designated Self funded re SIF Grant	419,614	-	-	(61,166)	-	358,448
	<u>730,637</u>	<u>3,093,468</u>	<u>(3,070,810)</u>	<u>276,618</u>	<u>388,000</u>	<u>1,417,913</u>

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

	Balance at 1 August 2021	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 1 August 2022
	£	£	£	£	£	£
Unrestricted Funds - General	128,456	2,332,425	(2,794,513)	342,655	-	9,023
Unrestricted Funds - Pension Reserve	(340,000)	-	23,000	-	619,000	302,000
Designated Self funded re SIF Grant	480,780	-	-	(61,166)	-	419,614
	<u>269,236</u>	<u>2,332,425</u>	<u>(2,771,513)</u>	<u>281,489</u>	<u>619,000</u>	<u>730,637</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

31 Analysis of net assets between funds - Group

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 July 2023 are represented by:						
Tangible assets	529,285	2,423,653	2,952,938	636,881	2,700,271	3,337,152
Current assets/(liabilities)	31,159	12,013	43,172	(113,797)	12,013	(101,784)
Long term liabilities	(136,912)	-	(136,912)	(275,521)	-	(275,521)
Provisions and pensions	734,000	-	734,000	297,331	-	297,331
	<u>1,157,532</u>	<u>2,435,666</u>	<u>3,593,198</u>	<u>544,894</u>	<u>2,712,284</u>	<u>3,257,178</u>

32 Analysis of net assets between funds - Charity

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 July 2023 are represented by:						
Tangible assets	515,841	2,423,653	2,939,494	612,305	2,700,271	3,312,576
Current assets/(liabilities)	304,984	12,013	316,997	91,853	12,013	103,866
Long term liabilities	(136,912)	-	(136,912)	(275,521)	-	(275,521)
Provisions and pensions	734,000	-	734,000	302,000	-	302,000
	<u>1,417,913</u>	<u>2,435,666</u>	<u>3,853,579</u>	<u>730,637</u>	<u>2,712,284</u>	<u>3,442,921</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

33 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

34 Operating lease commitments

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

	2023 £	2022 £
Within one year	221,448	229,119
Between two and five years	749,792	785,956
In over five years	957,301	1,142,585
	<u>1,928,541</u>	<u>2,157,660</u>

35 Subsidiaries

North West Training Council during the year under review had three wholly owned subsidiaries all of which being incorporated in the UK.

NWTC Commercial Services Limited
Merseyside Training Council Limited - Dissolved January 2023
Cosy Homes Insulations Limited - Dissolved February 2023

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:

	2023 £	2022 £
Turnover	245,468	307,225
Expenditure	(324,776)	(336,376)
(Loss)/Profit before taxation	(79,308)	(29,151)
Taxation	4,669	2,155
Retained (loss)/profit	<u>(74,639)</u>	<u>(26,996)</u>
Aggregate assets and liabilities		
Fixed assets	13,443	24,575
Current assets	131,271	112,117
Current liabilities	(405,096)	(317,766)
Non current liabilities	-	-
Provisions for liabilities	-	(4,669)
	<u>(260,382)</u>	<u>(185,743)</u>

NORTH WEST TRAINING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

36 Analysis of changes in net (debt)/funds

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	244,868	(23,878)	220,990
Loans falling due within one year	(49,568)	(7,130)	(56,698)
Loans falling due after more than one year	(118,509)	58,966	(59,543)
Obligations under finance leases	(226,091)	71,029	(155,062)
	<u>(149,300)</u>	<u>98,987</u>	<u>(50,313)</u>

37 Cash generated from operations

	2023 £	2022 £
Surplus for the year	(51,980)	(466,084)
Adjustments for:		
Investment income recognised in statement of financial activities	(430)	(119)
Depreciation and impairment of tangible fixed assets	389,537	403,221
Taxation movement	(4,669)	(2,155)
Difference between pension charge and cash contributions	(44,000)	(23,000)
Movements in working capital:		
(Increase)/decrease in debtors	(256,554)	147,218
Increase/(decrease) in creditors	144,200	(91,833)
Increase/(decrease) in provisions	(72,314)	37,173
Cash generated from/(absorbed by) operations	<u>103,880</u>	<u>4,421</u>

