

THE OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

England & Wales · Charity number 526145

Details

Other names O T C - OLDHAM TRAINING CENTRE, OTC

Status Registered

Legal form Charitable company

Company number [00979949](#)

Registered 1970-09-29

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

Contact

Address Leonard Curtis UK Limited
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Activities

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

Activities: The objective of the Charity is to provide training and training facilities for the apprentices and employees of both member and non member companies serving mainly the engineering, manufacturing and construction industries along with warehousing and distribution and all classes of industry and commerce.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

Geography

- Lancashire
- Oldham
- Tameside

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£374,398	£736,606	-	-
2023-07-31	£724,215	£872,117	£849,683	13
2022-07-31	£664,032	£573,787	£997,585	14
2021-07-31	£598,934	£540,515	£907,340	13
2020-07-31	£692,943	£694,643	£848,921	21

Trustees

Name	Role	Appointed
Emma Kate Harvey		2025-03-24
James Dennis Kelly		2025-01-01
John Edwin Robinson		2019-07-09

THE OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 526145

Accounts

Charity registration number 526145 (England and Wales)

Company registration number 979949

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J E Robinson Mr J D Kelly Mr P Sherry	(Appointed 25 July 2024)
Senior management	M P Sherry	Chief Executive
Charity number (England and Wales)	526145	
Company number	979949	
Registered office	Mount Pleasant Industrial Estate Lees Road Oldham Lancashire United Kingdom OL4 1JP	

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

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OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

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 governing document, 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 aims to deliver quality training and training facilities for apprentices and employees in both member and non-member companies, particularly within the engineering, manufacturing, and construction industries. Funding is primarily sourced from the Education & Skills Funding Agency (E.S.F.A) and supplemented by other providers.

The Trustees have adhered to the Charity Commission's guidance on public benefit, recognising that providing training enhances employment opportunities for young people and contributes positively to the local economy and society.

Risk management

The trustees have identified and assessed the main risks facing the charity, particularly concerning operations and finances, and are confident that appropriate systems are in place to mitigate these risks.

Public benefit

Trustees have considered the Charity Commission's guidance to determine the charity's activities and their alignment with public benefit objectives.

Achievements and performance

Significant activities and achievements against objectives

The year ending December 2024 has been a particularly challenging period for OTC. Gaining critical mass in any one apprenticeship standard proved difficult, reflecting broader sector trends and a further national decline in apprenticeship starts, with reported reductions continuing across Level 3 and below. These challenges have been especially acute for small and medium-sized enterprises (SMEs), many of which have struggled to commit to apprenticeship programmes in the face of economic uncertainty.

Despite these headwinds, OTC has continued to deliver steady outcomes for its existing learners. Efforts were concentrated on sustaining high levels of support for smaller cohorts, maintaining engagement, and progressing apprentices towards timely completions wherever possible. Achievement rates remained broadly acceptable, reflecting the team's commitment to learner success under increasingly challenging market conditions.

Staffing levels have remained consistent, with a continued focus on professional development to build capability in line with the evolving requirements of the apprenticeship standards. Collaboration with other independent training providers has supported best practice sharing, curriculum development, and mutual resilience during this period of suppressed demand.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

For the year ending December 2024, OTC recorded an operating loss of £362,208 (2023: operating loss £227,884). This reflects the impact of the reduced apprenticeship start volumes and the associated pressure on income. Careful cost management and targeted investment in training delivery, staff development, and learner support have helped to preserve organisational capacity and readiness for growth when market conditions improve.

The linkage between skills investment and broader economic confidence remains clear, and with economic indicators showing only modest recovery, the apprenticeship market continues to face significant constraints. Nevertheless, OTC remains engaged with the Greater Manchester Combined Authority's (GMCA) Apprenticeship Levy Matchmaking Service, which continues to play a critical role in enabling SMEs to access funded apprenticeship opportunities.

In addition, OTC remains an active partner in the development of Oldham's Local Skills Improvement Plan, ensuring that local training provision aligns with employer demand and lays the foundation for a future increase in apprenticeship uptake.

Reserves policy

The Board and senior management believe the charity has adequate resources to maintain and enhance its training capabilities. Currently, "free reserves" total £334,990 (2023: £382,846), equating to approximately 8 months of expenditure, exceeding the target of 3-6 months.

Structure, governance and management

Governing Document

OTC operates as a company limited by guarantee, governed by its Memorandum and Articles of Association, and registered as a charity. The liability of members is limited to £20.

Appointment of trustees

Trustees are selected from member companies, local businesses, education, and the voluntary sector.

Trustees' induction and training

Trustees participate in governance training, including safeguarding, adhering to best practices.

Organisation

The charity is managed daily by a CEO and two experienced managers, supported by a board of trustees. The team comprises 11 staff members and 2 freelance associates who deliver diverse training.

Related parties

Strong relationships exist between the charity and local businesses, enhancing community links and funding opportunities. OTC also has a wholly owned subsidiary, O.T.C Consultancy Limited, providing health and safety consultancy and training.

Mrs K E Kinghorn	(Resigned 11 July 2024)
Mr D Farrington	(Resigned 20 August 2024)
Mr G L Holt	(Resigned 11 July 2024)
Mrs A H Lees	(Resigned 11 July 2024)
Mr J E Robinson	
Mr J D Kelly	
Mr P Sherry	(Appointed 25 July 2024)

**OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED
(THE)**

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

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

Mr P Sherry

Trustee

30 September 2025

**OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED
(THE)**

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	373,422	722,784
Investments	4	976	1,431
Total income		374,398	724,215
Expenditure on:			
Charitable activities	5	736,606	952,099
Total expenditure		736,606	952,099
Net expenditure and movement in funds		(362,208)	(227,884)
Reconciliation of funds:			
Fund balances at 1 January 2024		769,701	997,585
Fund balances at 31 December 2024		407,493	769,701

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		579,451		592,056
Investments	12		2		2
			<u>579,453</u>		<u>592,058</u>
Current assets					
Debtors	13	44,198		69,279	
Cash at bank and in hand		366,986		234,956	
			<u>411,184</u>		<u>304,235</u>
Creditors: amounts falling due within one year	14	(130,057)		(126,592)	
Net current assets			<u>281,127</u>		<u>177,643</u>
Total assets less current liabilities			860,580		769,701
Creditors: amounts falling due after more than one year	15	(453,087)		-	
Net assets			<u>407,493</u>		<u>769,701</u>
The funds of the charity					
Unrestricted funds	16		407,493		769,701
			<u>407,493</u>		<u>769,701</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 30 September 2025

Mr P Sherry
Trustee

Company registration number 979949 (England and Wales)

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Oldham Engineering Group Training Association Limited (The) is a private company limited by guarantee incorporated in England and Wales. The registered office is Mount Pleasant Industrial Estate, Lees Road, Oldham, Lancashire, OL4 1JP, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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. 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 charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 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.

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:

Freehold land and buildings	Land not depreciated, Buildings 2% on cost
Plant and equipment	10% on cost
Fixtures and fittings	20% on cost
Computers	25% on cost
Office Equipment	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 the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 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).

1.9 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.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.10 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.

1.11 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.

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.

**OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED
(THE)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net Government Funding Receivable	373,422	722,784

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	976	1,431

5 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Depreciation and impairment	15,071	27,060
Salaries & National Insurance	360,608	618,907
Pension and life assurance costs	18,469	19,631
Advertising and Recruitment	13,396	3,088
Staff Development Costs	7,890	9,056
Professional fees & training costs	37,790	13,894
	<u>453,224</u>	<u>691,636</u>
Share of support and governance costs (see note 6)		
Support	283,382	260,463
	<u>736,606</u>	<u>952,099</u>
Analysis by fund		
Unrestricted funds	<u>736,606</u>	<u>952,099</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Support costs allocated to activities

	2024	2023
	£	£
Consumable Materials	5,597	8,413
IT and Machinery Materials	42,437	37,432
Property Costs	68,470	67,950
Insurance	13,480	15,557
Printing and stationery	247	376
Telephone	5,339	7,630
Motor and Travelling	2,328	266
Sundry Expenses	19,901	12,820
Audit	5,500	7,300
Accountancy	28,203	15,180
Legal and professional	31,921	1,500
Bank charges	1,611	1,367
Irrecoverable VAT	36,016	20,562
Subscriptions and software licences	6,767	7,481
	<u>267,818</u>	<u>203,834</u>
Analysed between:		
Charitable activities	<u>283,382</u>	<u>260,463</u>

7 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	-	-
Depreciation of owned tangible fixed assets	15,071	27,060
	<u>15,071</u>	<u>27,060</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Charitable activities	16	14
Governance	1	1
	<u>17</u>	<u>15</u>
Total	<u>17</u>	<u>15</u>

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

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Employees (Continued)

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Office Equipment £	Total £
Cost						
At 1 January 2024	614,873	36,108	83,986	75,132	44,849	854,948
Additions	1,916	-	-	548	-	2,464
At 31 December 2024	616,789	36,108	83,986	75,680	44,849	857,412
Depreciation and impairment						
At 1 January 2024	37,212	30,347	83,755	67,049	44,527	262,890
Depreciation charged in the year	8,656	1,417	219	4,673	106	15,071
At 31 December 2024	45,868	31,764	83,974	71,722	44,633	277,961
Carrying amount						
At 31 December 2024	570,921	4,344	12	3,958	216	579,451
At 31 December 2023	577,661	5,761	231	8,081	322	592,056

In February 2020 the freehold land and buildings were valued by Messrs Breakey & Nuttall, Chartered Surveyors and Property Advisors, at an open market value of £600,000.

12 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 January 2024 & 31 December 2024	2
Carrying amount	
At 31 December 2024	2
At 31 December 2023	2

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments		(Continued)	
	Notes	2024	2023
		£	£
Other investments comprise:			
Investments in subsidiaries	18	2	2
		<u> </u>	<u> </u>
13 Debtors		2024	2023
Amounts falling due within one year:		£	£
Trade debtors		5,333	6,782
Other debtors		31,905	54,503
Prepayments and accrued income		6,960	7,994
		<u> </u>	<u> </u>
		<u>44,198</u>	<u>69,279</u>
14 Creditors: amounts falling due within one year		2024	2023
		£	£
Other taxation and social security		(6,347)	(14,790)
Trade creditors		27,562	47,792
Amounts owed to subsidiary undertakings		98,131	65,186
Other creditors		-	3,888
Accruals and deferred income		10,711	24,516
		<u> </u>	<u> </u>
		<u>130,057</u>	<u>126,592</u>
15 Creditors: amounts falling due after more than one year		2024	2023
		£	£
Other creditors		453,087	-
		<u> </u>	<u> </u>
16 Unrestricted funds			

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	769,701	374,398	(736,606)	407,493
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Unrestricted funds (Continued)

Previous Period:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	997,585	724,215	(952,099)	769,701

17 Related party transactions

Related party transactions and transactions with directors

During the year the parent company received management charges and other income of £105,864 (2023 : £149,974) from subsidiary company and was charged for services of £NIL (2023 : £NIL) by the subsidiary company O.T.C Consultancy Limited.

The subsidiary company also paid net income of £NIL (2023 : £NIL) to the parent company under a gift aid arrangement.

At 31 December 2024 OTC Consultancy Limited owed the parent company £87,715 (2023 : £84,787).

Members of the company and the Board of Trustees are representatives of the business, education and training, and voluntary sector communities. Close working relationships exist between the charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where any transactions take place between the charity and member companies and organisations with which the trustees might be connected, they are on normal commercial terms.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emoluments or payment for professional or other services.

During the year the company charged membership fees to companies in which members of the board of OTC are either directors or shareholders. The amounts charged were as follows: E Farrington & Co Limited £NIL (2023 : £NIL), Focus Education/ Talking Point (UK) Limited £NIL (2023: £NIL) and Innovative Technology Limited £NIL (2023 : £NIL). There were amounts owing to the company at the year end as follows: E Farrington & Co Limited £NIL (2023 : £NIL), Focus Education (UK) Limited £NIL (2023 : £NIL) and Innovative Technology Limited £NIL (2023 : £NIL).

18 Subsidiaries

Investment in subsidiary company

	£	£
At Cost	2	2

The above investment is in O.T.C Consultancy Limited a company incorporated and registered in England and Wales which provides consultancy services.

The holding consists of 2 ordinary shares of £1 each, and is the whole of the issued share capital. At 31 December 2023 the accumulated share capital and reserves of OTC Consultancy Limited amount to £40,807 (2022 : £15,363).

THE OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 526145

Accounts

Charity registration number 526145

Company registration number 979949 (England and Wales)

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J E Robinson Mr J D Kelly Mr P Sherry	(Appointed 2 November 2023) (Appointed 25 July 2024)
Senior management	M P Sherry	Chief Executive
Charity number	526145	
Company number	979949	
Registered office	Mount Pleasant Industrial Estate Lees Road Oldham Lancashire United Kingdom OL4 1JP	

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OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the Period ended 31 December 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 charity's governing document, 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 aims to deliver quality training and training facilities for apprentices and employees in both member and non-member companies, particularly within the engineering, manufacturing, and construction industries. Funding is primarily sourced from the Education & Skills Funding Agency (E.S.F.A) and supplemented by other providers.

The Trustees have adhered to the Charity Commission's guidance on public benefit, recognising that providing training enhances employment opportunities for young people and contributes positively to the local economy and society.

Risk management

The trustees have identified and assessed the main risks facing the charity, particularly concerning operations and finances, and are confident that appropriate systems are in place to mitigate these risks.

Public benefit

Trustees have considered the Charity Commission's guidance to determine the charity's activities and their alignment with public benefit objectives.

Achievements and performance

Significant activities and achievements against objectives

The year 2022-2023 continued to experience a decline in apprenticeship starts, reflecting a national reduction of 6.9% at qualification level 3 and below. This trend has been particularly challenging for small and medium enterprises, compounded by the complexities introduced by recent reforms, including the shift to new Apprenticeship Standards.

Despite these challenges, apprenticeship starts and completions remained steady, demonstrating resilience. Efforts focused on supporting smaller cohorts of learners who faced delays in practical learning due to COVID-19 restrictions, leading to acceptable performance and achievement rates.

Staffing levels have remained stable, with a commitment to developing internal expertise to meet the demands of new apprenticeship standards. Collaboration with other independent training providers continues to foster the development of new standards and the sharing of resources.

Financial review

The financial statements reflect an operating loss of £147,902 for the year (2022: operating profit £90,245). Continued careful management of resources, coupled with strategic investments in training infrastructure and staff development, has supported financial stability amidst economic uncertainties.

Investment in skills is closely linked to local and national economic confidence, which has fluctuated. The Greater Manchester Combined Authority's (GMCA) funded Apprenticeship Levy Matchmaking Service has been instrumental in assisting smaller businesses with apprenticeship training costs, supported by government incentives.

The charity is also actively involved in developing a Local Skills Improvement Plan in Oldham, aiming to enhance skills development and increase apprenticeship uptake.

Reserves policy

The Board and senior management believe the charity has adequate resources to maintain and enhance its training capabilities. Currently, "free reserves" total £382,846 (2022: £294,992), equating to approximately 8 months of expenditure, exceeding the target of 3-6 months.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

Structure, governance and management

Governing Document

OTC operates as a company limited by guarantee, governed by its Memorandum and Articles of Association, and registered as a charity. The liability of members is limited to £20.

Appointment of trustees

Trustees are selected from member companies, local businesses, education, and the voluntary sector.

Trustees' induction and training

Trustees participate in governance training, including safeguarding, adhering to best practices.

Organisation

The charity is managed daily by a CEO and two experienced managers, supported by a board of trustees. The team comprises 11 staff members and 2 freelance associates who deliver diverse training.

Related parties

Strong relationships exist between the charity and local businesses, enhancing community links and funding opportunities. OTC also has a wholly owned subsidiary, O.T.C Consultancy Limited, providing health and safety consultancy and training.

Mrs K E Kinghorn	(Resigned 11 July 2024)
Mr D Farrington	(Resigned 20 August 2024)
Mr G L Holt	(Resigned 11 July 2024)
Mrs A H Lees	(Resigned 11 July 2024)
Mr J E Robinson	
Mrs S Greaves	(Resigned 17 October 2023)
Mr D J Kinghorn	(Resigned 30 July 2023)
Mr J D Kelly	(Appointed 2 November 2023)
Mr P Sherry	(Appointed 25 July 2024)

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

Mr J D Kelly

Trustee

29 November 2024

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	722,784	663,915
Investments	4	1,431	117
Total income		724,215	664,032
Expenditure on:			
Charitable activities	5	872,117	573,787
Total expenditure		872,117	573,787
Net income/(expenditure) and movement in funds		(147,902)	90,245
Reconciliation of funds:			
Fund balances at 1 August 2022		997,585	907,340
Fund balances at 31 December 2023		849,683	997,585

The statement of financial activities includes all gains and losses recognised in the Period. All income and expenditure derive from continuing activities.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		592,056		614,736
Investments	12		2		2
			<u>592,058</u>		<u>614,738</u>
Current assets					
Debtors	13	84,075		135,763	
Cash at bank and in hand		234,956		325,147	
		<u>319,031</u>		<u>460,910</u>	
Creditors: amounts falling due within one year	14	(61,406)		(78,063)	
Net current assets			<u>257,625</u>		<u>382,847</u>
Total assets less current liabilities			<u>849,683</u>		<u>997,585</u>
The funds of the charity					
Unrestricted funds	15		849,683		997,585
			<u>849,683</u>		<u>997,585</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the Period ended 31 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the Period in question in accordance with section 476.

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

The financial statements were approved by the trustees on 29 November 2024

Mr J D Kelly
Trustee

Company registration number 979949 (England and Wales)

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Oldham Engineering Group Training Association Limited (The) is a private company limited by guarantee incorporated in England and Wales. The registered office is Mount Pleasant Industrial Estate, Lees Road, Oldham, Lancashire, OL4 1JP, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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. 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 charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 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.

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:

Freehold land and buildings	Land not depreciated, Buildings 2% on cost
Plant and equipment	10% on cost
Fixtures and fittings	20% on cost
Computers	25% on cost
Office Equipment	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 the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 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).

1.9 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.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.10 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.

1.11 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.

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.

**OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED
(THE)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net Government Funding Receivable	722,784	537,764
Other	-	126,151
	<u>722,784</u>	<u>663,915</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,431	117
	<u>1,431</u>	<u>117</u>

5 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Direct costs		
Depreciation and impairment	27,060	17,517
Salaries & National Insurance	618,907	254,265
Pension and life assurance costs	19,631	11,938
Less recharge to O.T.C consultancy Ltd	(79,982)	(35,294)
Advertising and Recruitment	3,088	1,336
Staff Development Costs	9,056	(2,030)
Professional fees & training costs	13,894	32,773
	<u>611,654</u>	<u>280,505</u>
Share of support and governance costs (see note 6)		
Support	260,463	293,282
	<u>872,117</u>	<u>573,787</u>
Analysis by fund		
Unrestricted funds	<u>872,117</u>	<u>573,787</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

6 Support costs allocated to activities

	2023	2022
	£	£
Salaries & national insurance	-	151,393
Consumable Materials	8,413	5,464
IT and Machinery Materials	37,432	22,782
Staff & Visitors Maintenance	-	339
Property Costs	67,950	35,683
Insurance	15,557	10,665
Printing and stationery	376	1,878
Telephone	7,630	6,209
Motor and Travelling	266	1,260
Sundry Expenses	12,820	4,219
Audit	5,500	7,300
Accountancy	28,203	15,180
Legal and professional	31,921	1,500
Bank charges	1,611	1,367
Irrecoverable VAT	36,016	20,562
Subscriptions and software licences	6,767	7,481
	<u>260,463</u>	<u>293,282</u>
Analysed between:		
Charitable activities	<u>260,463</u>	<u>293,282</u>

7 Net movement in funds

	2023	2022
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	<u>27,060</u>	<u>17,517</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the Period was:

	2023	2022
	Number	Number
Charitable activities	14	13
Governance	1	1
Total	<u>15</u>	<u>14</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

9 Employees (Continued)

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

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Office Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 August 2022	614,873	36,108	83,986	71,046	44,554	850,567
Additions	-	-	-	4,085	295	4,380
	<u>614,873</u>	<u>36,108</u>	<u>83,986</u>	<u>75,131</u>	<u>44,849</u>	<u>854,947</u>
At 31 December 2023	614,873	36,108	83,986	75,131	44,849	854,947
	<u>614,873</u>	<u>36,108</u>	<u>83,986</u>	<u>75,131</u>	<u>44,849</u>	<u>854,947</u>
Depreciation and impairment						
At 1 August 2022	24,990	27,887	82,669	56,075	44,210	235,831
Depreciation charged in the Period	12,222	2,460	1,086	10,975	317	27,060
	<u>12,222</u>	<u>2,460</u>	<u>1,086</u>	<u>10,975</u>	<u>317</u>	<u>27,060</u>
At 31 December 2023	37,212	30,347	83,755	67,050	44,527	262,891
	<u>37,212</u>	<u>30,347</u>	<u>83,755</u>	<u>67,050</u>	<u>44,527</u>	<u>262,891</u>
Carrying amount						
At 31 December 2023	577,661	5,761	231	8,081	322	592,056
	<u>577,661</u>	<u>5,761</u>	<u>231</u>	<u>8,081</u>	<u>322</u>	<u>592,056</u>
At 31 July 2022	589,883	8,221	1,316	14,972	344	614,736
	<u>589,883</u>	<u>8,221</u>	<u>1,316</u>	<u>14,972</u>	<u>344</u>	<u>614,736</u>

In February 2020 the freehold land and buildings were valued by Messrs Breakey & Nuttall, Chartered Surveyors and Property Advisors, at an open market value of £600,000.

12 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 August 2022 & 31 December 2023	2
	<u>2</u>
Carrying amount	
At 31 December 2023	2
	<u>2</u>
At 31 July 2022	2
	<u>2</u>

**OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED
(THE)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

12 Fixed asset investments (Continued)

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	17	2	2

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	6,782	39
Amounts owed by subsidiary undertakings	14,796	81,882
Other debtors	54,503	41,163
Prepayments and accrued income	7,994	12,679
	<u>84,075</u>	<u>135,763</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	(14,790)	6,803
Trade creditors	47,792	18,507
Other creditors	3,888	1,903
Accruals and deferred income	24,516	50,850
	<u>61,406</u>	<u>78,063</u>

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2023 £
General funds	997,585	724,215	(872,117)	-	849,683

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

15 Unrestricted funds

(Continued)

Previous year:	At 1 August 2021	Incoming resources	Resources expended	Transfers	At 31 July 2022
	£	£	£	£	£
Designated fund	434,058	-	-	(6,387)	427,671
General funds	473,282	664,032	(573,787)	6,387	569,914
	<u>907,340</u>	<u>664,032</u>	<u>573,787</u>	<u>-</u>	<u>997,585</u>

16 Related party transactions

Related party transactions and transactions with directors

During the year the parent company received management charges and other income of £149,974 (2022 : £42,780) from subsidiary company and was charged for services of £NIL (2022 : £NIL) by the subsidiary company O.T.C Consultancy Limited.

The subsidiary company also paid net income of £NIL (2022 : £70,000) to the parent company under a gift aid arrangement.

At 31 December 2023 OTC Consultancy Limited owed the parent company £84,787 (2022 : £81,882).

Members of the company and the Board of Trustees are representatives of the business, education and training, and voluntary sector communities. Close working relationships exist between the charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where any transactions take place between the charity and member companies and organisations with which the trustees might be connected, they are on normal commercial terms.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emoluments or payment for professional or other services.

During the year the company charged membership fees to companies in which members of the board of OTC are either directors or shareholders. The amounts charged were as follows: E Farrington & Co Limited £NIL (2022 : £NIL), Focus Education/ Talking Point (UK) Limited £NIL (2022: £100) and Innovative Technology Limited £NIL (2022 : £100). There were amounts owing to the company at the year end as follows: E Farrington & Co Limited £NIL (2022 : £NIL), Focus Education (UK) Limited £NIL (2022 : £NIL) and Innovative Technology Limited £NIL (2022 : £NIL).

17 Subsidiaries

Investment in subsidiary company

At Cost	£	£
	2	2

The above investment is in O.T.C Consultancy Limited a company incorporated and registered in England and Wales which provides consultancy services.

The holding consists of 2 ordinary shares of £1 each, and is the whole of the issued share capital. At 31 December 2023 the accumulated share capital and reserves of OTC Consultancy Limited amount to £40,807 (2022 : £15,363).

THE OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 526145

Accounts

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

(a company limited by guarantee and not having share capital)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

Company number: 979949

Registered Charity Number: 526145

Champion Accountants LLP

2nd Floor Refuge House

33-37 Watergate Row

Chester

CH1 2LE

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

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OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2022

The trustees/directors of Oldham Engineering Group Training Association Limited (T/A OTC) present their fifty first annual report together with the financial statements for the year ended 31 July 2022. The directors or members of the board of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the 'trustees'.

Reference and Administrative Information

<u>Charity number:</u>	526145
<u>Company number:</u>	979949
<u>Chief Executive:</u>	N Eglin
<u>Principal office:</u>	Lees Road, Oldham, OL4 1JP
<u>Auditors:</u>	Champion Accountants LLP. 2nd Floor Refuge House, 33-37 Watergate Row, Chester, CH1 2LE
<u>Bankers:</u>	Barclays Bank PLC, Oldham
<u>Trustees:</u>	Mr D Farrington (Chairman) Mrs A Lees (Vice Chair) Mrs C Duggan Mrs S Greaves Mr D Kinghorn Mr J Robinson Mr G Holt Mrs K Kinghorn
	Resigned 02 March 2022
	Appointed 07 July 2022
	Appointed 07 July 2022

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 continued...

Structure, Governance and Management

Governing Document

Oldham Engineering Group Training Association known as OTC, is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

The liability of the members is limited to £20 each on a winding up whilst membership continues or within one year after membership ceases.

Membership of the company at 31 July 2022 stood at 36 members (42 members at 31 July 2021).

Appointment of trustees

Members of the Board of Trustees are drawn from member companies, local business, education and voluntary sector communities.

Trustees' induction and training

Trustees have completed Governance Training on Safeguarding and do so in line with good practice every 3 years; one Board member holds the Designated Safeguarding Lead Level 3 Certificate (on behalf of OEGTA).

Organisation

The company is controlled and operated on a day-to-day basis by a CEO and two supporting managers who are all very experienced in the work-based learning field. The management team are supported by a board of trustees with whom they work very closely. A total of 12 staff are employed with an additional 5 freelance associates delivering a variety of training provision as required

Related parties

Members of the charity and its Board of Trustees are drawn from local business, member companies, education and training and voluntary sector communities.

Close working relationships exist between the Charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

OTC has a wholly owned subsidiary company *O.T.C. Consultancy Limited*, which provides Health & Safety consultancy and training services.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 continued...

Objectives and activities

The objective of the Charity is to provide quality training and training facilities for the apprentices and employees of both member and non member companies serving mainly the engineering, manufacturing and construction industries along with all classes of industry and commerce.

Funding is provided mainly through the Education & Skills Funding Agency (E.S.F.A) and supplemented by other providers.

The Trustees are mindful of the Charity Commission guidance on public benefit and consider that the provision of training which enhances employment opportunities for young people is of benefit to the local economy and society generally.

Risk management

The trustees have assessed the main risks to which the charity is exposed; in particular those related to the operations and finance of OTC and are satisfied that systems are in place to mitigate the exposure to such risks.

Achievements, performance and future plans

2021-2022 continued to see a depressed level of apprenticeship starts. There has been a reported 4.1% reduction nationally in apprenticeship starts at qualification level 3 and below. This figure has been replicated at a local level with a reduction in school leavers applying for apprenticeship positions in engineering and business services. The decline in apprenticeship starts has been felt more acutely in small and medium size enterprises who have struggled to manage the increasing complexity of apprenticeships (the result of the significant reforms of the last five years), the increasing digitalisation of the National Apprenticeship Service, the requirement for 20 per cent off the job training and enhanced entry requirements. The shift to the new Apprenticeship Standards and the removal of longstanding recognisable qualifications associated with Apprenticeship Frameworks has added to the reluctance of some employers (and school leavers) to proceed. The decline in level 2 entry points, such as Business Administration Level 2, has affected the most disadvantaged quantile of apprentices and Oldham currently rated 19 out of 326 Boroughs with four areas which are among the top 1% of the nations most deprived areas. These factors impeded OTC's funding position.

Despite this backdrop, apprenticeship starts and completions have remained steady resulting in stable in-learning numbers. The focus was placed on supporting smaller cohorts of learners who fell behind with practical learning and assessment work which could not take place and was substantially delayed by the Covid restrictions. As a result the performance and achievement rates remained steady and fell within the acceptable funding bandwidth, as the economy and training providers recover from the effects of the pandemic.

This position has meant that the staffing numbers have remained relatively static during the last period although opportunities to develop internal expertise have been identified and invested in. A programme of staff development was identified and work will continue to upskill employees to meet the demands of the new apprenticeship standards. OTC continued to work closely with other independent training providers to help develop new standards and to share expertise and resources.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 continued...

Financial Review

In what proved to be another challenging year, the financial statements show an operating profit of £90,245 (2021: operating profit of £58,419). Due to the ongoing situation, a robust management system remained in place to focus on essential spend and employee costs whilst continuing to invest, as appropriate, in resourcing the new Apprenticeship Standards particularly in relation to equipment, materials and staff skills to support new delivery models. In addition, it remained necessary to continue to utilise additional sector expertise which was also demanded by the external quality assurance requirements of the Awarding Organisations.

The introduction of the Digital Account Service has impacted on some employers – particularly small to medium enterprises. However, OTC staff are well placed to provide additional support to assist those employers who can proceed to employ apprenticeships. The expectations for investment in skills changes in line with confidence in the strength of the economy – both locally and nationally. This confidence has fluctuated in the past two years with the upheaval caused by the pandemic leading some businesses to appreciate that not only did they need to develop, they also require cost effective solutions to workforce development and the apprenticeship levy has a role to play in this respect. The Greater Manchester Combined Authority (GMCA) funded Apprenticeship Levy Matchmaking Service, which helps large companies to share funding with smaller businesses in Greater Manchester, is assisting some employers to meet apprenticeship training costs supported by a range of Government incentives. The role of financial incentives in causing employers to recruit more apprentices is relatively small with a best estimate of a net increase of 11% nationally in recruitment of apprentices. Nonetheless, the GMCA has committed to funding the service until 2023 and OTC continues to promote to interested employers.

The plans to develop, across the Oldham Borough, a Local Skills Improvement Plan is a significant initiative. OTC has been invited to participate in a cross-cutting strategic group which is aiming (once established) to conduct a review of post-16 provision to determine what more can be done to improve skills development within the Borough and encourage a greater take-up of apprenticeships (alongside other provision). The outcome is expected to be a new employment and skills strategy and Oldham Skills Plan. OTC senior managers are looking forward to OTC playing its part in this Borough wide initiative.

Cash flow and activity levels are monitored on a very regular basis and the Trustees are confident that the careful management of resources, the best use and continued investment into the excellent training facility and the support of all staff members will enable the charity to continue to offer engineering and business services training to the businesses of Oldham and the surrounding areas.

Investment powers and policy

All funds not immediately required are placed on high interest deposit, although deposit rates have been at a historically low level for a number of years.

Reserves policy

The Board of Directors and senior management team believe we have the resources to maintain and strengthen our position in the training environment.

The majority of the charity's reserves are in cash and invested in the property and land at Lees Road, Oldham which is free of borrowings and which could be used as collateral in the event of an emergency, meanwhile reducing the cost base of the company to allow greater training activities. Currently the "free reserves" total £382,846 (2021: £294,992) which equates to approximately 8 months expenditure (2021: 6.5 months). The Charity's aim is to hold 3 -6 months in reserve.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 continued...

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and 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 its surplus or deficit 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 sound judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 company will continue in operation.

The trustees are responsible for maintaining proper accounting records which 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.

In so far as the trustees are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees confirm that the financial statements comply with current statutory requirements, the requirements of the memorandum and articles of association and the requirements of the Charities SORP.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Auditors

The auditors, Champion Accountants LLP, are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the board on 19th April 2023 and signed on its behalf by:


D Farrington
Trustee/Director

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

Opinion

We have audited the financial statements of Oldham Engineering Group Training Association Limited for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Report Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue

Our responsibilities and the responsibilities of the directors 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 Trustees/Directors report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information and our opinion on the financial statements does not cover the other information, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.
- 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED continued..**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 directors 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

Audit procedures

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We consider the applicable laws and regulations to be the financial reporting framework (FRS 102 and the Companies Act 2006), Charity Law, the relevant Tax legislation in the UK, Employment Law, Safeguarding legislation, the Health and Safety at Work Act 1974 and the Further and Higher Education Act.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of reports from regulators; review of minutes of meetings of those charged with governance; review and testing of manual journals, relevant nominals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Champion Accountants LLP

Susan Harris MA ACA (Senior Statutory Auditor)

For and on behalf of Champion Accountants LLP

2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Date: 20 April 2023

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 JULY 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<u>Income and endowments from:</u>					
<i>Raising funds:</i>					
<i>Other trading activities:</i>					
Commercial trading operations	2	-	-	-	-
Other income and donations	3	77,289	-	77,289	30,611
<i>Investment income</i>	4	117	-	117	550
		<u>77,406</u>	<u>-</u>	<u>77,406</u>	<u>31,161</u>
<i>Charitable activities:</i>					
Training fees	5	586,626	-	586,626	567,773
Total income and endowments		<u>664,032</u>	<u>-</u>	<u>664,032</u>	<u>598,934</u>
<u>Expenditure on:</u>					
<i>Raising funds:</i>					
Commercial trading operations		-	-	-	-
<i>Charitable activities:</i>					
Training and governance costs		573,787	-	573,787	540,515
Total expenditure	6	<u>573,787</u>	<u>-</u>	<u>573,787</u>	<u>540,515</u>
Net income/(expenditure)		90,245	-	90,245	58,419
Other recognised gains/(losses)					
Gain on revaluation of freehold property	9	-	-	-	-
Net movement in funds		<u>90,245</u>	<u>-</u>	<u>90,245</u>	<u>58,419</u>
<i>Reconciliation of funds</i>					
Total funds brought forward		907,340	-	907,340	848,921
Total funds carried forward	20	<u>997,585</u>	<u>-</u>	<u>997,585</u>	<u>907,340</u>

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

All income and expenditure derive from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET : AS AT 31 JULY 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	11	614,736	612,346
Investment in subsidiary company	12	2	2
		<u>614,738</u>	<u>612,348</u>
CURRENT ASSETS			
Debtors and prepayments	13	135,763	101,993
Cash at bank and in hand		325,147	253,178
		<u>460,910</u>	<u>355,172</u>
CREDITORS:			
Amounts falling due within one year	14	(78,063)	(60,179)
NET CURRENT ASSETS (LIABILITIES)			
		<u>382,846</u>	<u>294,992</u>
CREDITORS:			
Amounts falling due over one year	15	-	-
NET ASSETS			
	20	<u>997,585</u>	<u>907,340</u>
FUNDS			
<i>Unrestricted funds:</i>			
Designated	19	427,671	434,058
General	19	569,914	473,282
TOTAL FUNDS			
	19	<u>997,585</u>	<u>907,340</u>

These accounts have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102 (effective January 2015).

The financial statements were approved by the Board on 19.4.23 and signed on its behalf by:


 Trustee/Director
D Farrington

Registration number: 979949

The accompanying notes are an integral part of this balance sheet.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS : YEAR ENDED 31 JULY 2022

	<i>Note</i>	2022 £	2021 £
CASH USED IN OPERATING ACTIVITIES	21	<u>91,760</u>	<u>45,461</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		117	550
Purchase of tangible fixed assets		(19,908)	(6,960)
Proceeds from sale of tangible fixed assets		-	12,830
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(19,791)</u>	<u>6,419</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowing		-	(14,586)
CASH USED IN FINANCING ACTIVITIES		<u>0</u>	<u>(14,586)</u>
Increase/(decrease) in cash and cash equivalents in the year		71,969	37,294
Cash and cash equivalents at the beginning of the year		253,178	215,884
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>325,147</u></u>	<u><u>253,178</u></u>

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Company status

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £20 per member.

c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with reasonable accuracy.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. estimated usage).

- Costs of generating funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs include those 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.

e) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged under a separate heading in the SOFA.

f) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

g) Tangible fixed assets and depreciation

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows :

Freehold land	- not depreciated
Freehold buildings	- 2% on valuation
Plant and machinery	- 10% on cost
Office equipment and fixtures	- 20% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

h) Property revaluation policy

Freehold land and buildings are initially measured at cost and subsequently at cost or valuation, net of depreciation and any impairment losses. Valuations are undertaken on a regular basis, with a formal valuation every five years, to ensure that the carrying amount does not differ materially from fair value. Gains and losses on revaluation are recognised in the SOFA. An impairment review is carried out annually.

i) Fixed asset investments policy

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised in the SOFA. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies continued

j) Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

k) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees / directors for particular purposes.

l) Pensions

Defined contribution scheme

Contributions in respect of the company's defined contribution pension scheme are charged to the SOFA for the year in which they are payable to the scheme.

m) Changes in presentation

Where changes in presentation have been made the comparative figures have been adjusted accordingly.

n) Going concern

During the year, the charity generated a profit, after gift aid from its subsidiary company, of £90,245 (2021: profit of £58,419). The charity has net assets of £997,585 (2021: net assets £907,340) and the trustees believe that there will be sufficient resources to enable both companies to continue to operate for the foreseeable future. Working capital of the group at the end of the year was £383,511 (2021: £295,509) and has remained strong since the year end.

In deciding to adopt a going concern basis for preparing the accounts, the trustees have prepared forecasts which consider the current economic climate and are aware of the effects that this may subsequently have on the charity. The trustees have adopted relevant operational strategies in order to safeguard the business for the ensuing 12 months and have concluded that the charity continues to be a going concern.

o) Financial instruments

The charity accounts for basic financial instruments, debtors and prepayments and creditors and accruals, at the undiscounted amount of the cash or other consideration expected to be received or paid.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

2 Commercial trading operations

The charity does not carry out any fund raising activities or receive income from any commercial trading operations.

			Total 2022 £	Total 2021 £
3 Other income and donations				
Members levies	(197)	-	(197)	1,125
Income from subsidiary company	77,486	-	77,486	29,486
Government grants	-	-	-	-
	<u>77,289</u>	<u>-</u>	<u>77,289</u>	<u>30,611</u>

4 Investment income

Bank deposit interest	117	-	117	550
	<u>117</u>	<u>-</u>	<u>117</u>	<u>550</u>

5 Incoming resources from charitable activities

Training fees receivable:

Government training fees	560,028	-	560,028	543,772
<u>less college training and registration fees</u>	<u>(22,068)</u>	<u>-</u>	<u>(22,068)</u>	<u>(20,800)</u>
	537,961	-	537,961	522,972
Other training fees	48,665	-	48,665	44,801
	<u>586,626</u>	<u>-</u>	<u>586,626</u>	<u>567,773</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

6 Total resources expended

	Raising funds	Charitable activities		Total 2022 £	Total 2021 £
	£	Training £	Governance £		
Costs directly allocated to activities					
<i>Department:</i>					
Customer Service, Team Leading and Management Training		15,568	-	15,568	11,954
Engineering Training		233,414	-	233,414	209,399
Marketing and Courses		31,523	-	31,523	45,999
	-	280,506	-	280,506	267,352
Support costs					
Administration,Accounts, and Management		191,962	34,409	226,371	207,411
Premises Costs		46,348	-	46,348	46,349
Non-attributable VAT		20,562	-	20,562	19,403
	-	258,872	34,409	293,281	273,163
Total expenditure	-	539,377	34,409	573,787	540,515

Support costs have been apportioned using time spent, a basis which is considered consistent with the use of the resources.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

	Total 2022 £	Total 2021 £
7 Staff costs		
Total staff emoluments for the year were as follows:		
Salaries	376,206	337,480
National Insurance	29,451	34,734
Pension and life assurance	11,938	12,025
	<u>417,595</u>	<u>384,239</u>
<u>Less</u> recharged to OTC Consultancy Limited	(35,294)	(35,294)
	<u><u>382,301</u></u>	<u><u>348,945</u></u>

8 Staff numbers

The average monthly head count was 14 staff (2021: 13 staff) and the average monthly number of full-time equivalent employees (including part-time staff) during the year were as follows:

	2022 Number	2021 Number
Charitable activities	13	12
Governance	1	1
	<u>14</u>	<u>13</u>

No employees had employee benefits in excess of £60,000 (2021: Nil).

9 Net movement in funds

	2022 £	2021 £
Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets	17,518	19,746
Loss (Profit) on disposal of fixed assets	-	(3,459)
Gain on revaluation of freehold property	-	-
Auditors' remuneration:		
audit of charitable company	7,300	6,650
non-audit	-	-

10 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

11 Tangible fixed assets

	Freehold Land and Buildings	Plant Machinery & Equipment	Motor Vehicles	Total
<u>Cost/valuation</u>				
At 1 August 2021	600,000	230,658	-	830,658
Additions	14,873	5,034	-	19,908
Disposals	-	-	-	-
At 31 July 2022	<u>614,873</u>	<u>235,693</u>	-	<u>850,566</u>
<u>Depreciation</u>				
At 1 August 2021	16,660	201,652	-	218,312
Charge for the period	8,330	9,187	-	17,517
Disposals	-	-	-	-
At 31 July 2022	<u>24,990</u>	<u>210,840</u>	-	<u>235,830</u>
<u>Net Book Value</u>				
At 31 July 2022	<u>589,883</u>	<u>24,853</u>	-	<u>614,736</u>
At 31 July 2021	<u>583,340</u>	<u>29,006</u>	-	<u>612,346</u>

In February 2020 the freehold land and buildings were valued by Messrs Breakey & Nuttall, Chartered Surveyors and Property Advisors, at an open market value of £600,000.

The historical cost of freehold land and buildings included above at valuation was £242,500 (2021 : £242,500) and the aggregate depreciation thereon would have been £101,333 (2021 : £97,333).

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

	2022 £	2021 £
12 <u>Investment in subsidiary company</u>		
At cost	<u>2</u>	<u>2</u>

The above investment is in O.T.C. Consultancy Limited a company incorporated and registered in England and Wales which provides consultancy services.

The holding consists of 2 ordinary shares of £1 each, and is the whole of the issued share capital. At 31 July 2022 the accumulated share capital and reserves of OTC Consultancy Limited amounted to £15,365 (2021 : £20,383).

13 Debtors and prepayments

Trade debtors	41,202	63,256
Amount due from subsidiary undertaking	81,882	27,043
Prepayments and accrued income	12,679	11,694
	<u>135,763</u>	<u>101,993</u>

14 Creditors : amounts falling due within one year

Trade creditors	18,507	17,494
Taxation and social security costs	6,803	5,962
Hire purchase	-	-
Other creditors and accruals	29,877	23,474
Deferred income	22,877	13,249
	<u>78,063</u>	<u>60,179</u>

15 Creditors : amounts falling due over one year

Hire purchase	-	-
	<u>-</u>	<u>-</u>

16 Leasing agreements

Minimum lease payments fall due as follows:

	Hire purchase	
Net obligations repayable:		
Within one year	-	-
Between one and five years	-	-
	<u>-</u>	<u>-</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

17 Related party transactions and transactions with directors

During the year the parent company received management charges and other income of £42,780 (2021 : £42,780) from the subsidiary company and was charged for services of £Nil (2021 : £Nil) by the subsidiary company O.T.C. Consultancy Limited.

The subsidiary company also paid net income of £70,000 (2021 : £22,000) to the parent company under a gift aid arrangement.

At 31 July 2022 OTC Consultancy Limited owed the parent company £81,882 (2021 : £27,043).

Members of the company and the Board of Trustees are representatives of the business, education and training, and voluntary sector communities. Close working relationships exist between the charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where any transactions take place between the charity and member companies and organisations with which the trustees might be connected, they are on normal commercial terms.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emoluments or payment for professional or other services.

During the year the company charged membership fees to companies in which members of the board of OTC are either directors or shareholders. The amounts charged were as follows: E Farrington & Co Limited £Nil (2021 : £Nil), Focus Education/Talking Point (UK) Limited £Nil (2021 : £100) and Innovative Technology Limited £Nil (2021 : £100). There were amounts owing to the company at the year end as follows: E Farrington & Co Limited £Nil (2021 : £Nil), Focus Education (UK) Limited £Nil (2021 : £Nil), and Innovative Technology Limited £Nil (2021 : £Nil).

18 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £10,761 (2021 : £10,702)

19 Analysis of charitable funds

Analysis of fund movements:

	At 1 August 2021 £	Incoming resources £	Resources expended £	Gains (losses) £	Transfers £	At 31 July 2022 £
<i>Restricted Funds:</i>	-	-	-	-	-	-
<i>Unrestricted funds:</i>						
General fund	473,281	664,032	(573,787)	-	6,387	569,913
Designated fund	434,058	-	-	-	(6,387)	427,671
Total	907,339	664,032	(573,787)	-	-	997,584

The designated fund represents the revaluation reserve relating to the company's freehold land and buildings

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2022

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	187,065	427,671	-	614,736
Investment in subsidiary company	2	-	-	2
Current assets	460,910	-	-	460,910
Current liabilities	(78,063)	-	-	(78,063)
Long Term liabilities	-	-	-	-
Net assets 31 July 2022	<u>569,914</u>	<u>427,671</u>	<u>-</u>	<u>997,585</u>

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds	90,245	58,419
Add back depreciation charge	17,518	19,746
Gain on disposal of tangible assets	-	(3,459)
Gain on revaluation of freehold property	-	-
Deduct interest income shown in investing activities	(117)	(550)
Decrease/(increase) in stock	-	-
Decrease/(increase) in debtors	(33,770)	(7,831)
Increase/(decrease) in creditors	17,884	(20,865)
Net cash used in operating activities	<u>91,760</u>	<u>45,461</u>

THE OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 526145

Accounts

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

(a company limited by guarantee and not having share capital)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

Company number: 979949

Registered Charity Number: 526145

Champion Accountants LLP

2nd Floor Refuge House

33-37 Watergate Row

Chester

CH1 2LE

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

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OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2021

The trustees/directors of Oldham Engineering Group Training Association Limited (T/A OTC) present their fifty first annual report together with the financial statements for the year ended 31 July 2021. The directors or members of the board of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the 'trustees'.

Reference and Administrative Information

<u>Charity number:</u>	526145
<u>Company number:</u>	979949
<u>Chief Executive:</u>	N Eglin
<u>Principal office:</u>	Lees Road, Oldham, OL4 1JP
<u>Auditors:</u>	Champion Accountants LLP. 2nd Floor Refuge House, 33-37 Watergate Row, Chester. CH1 2LE
<u>Bankers:</u>	Barclays Bank PLC, Oldham
<u>Trustees:</u>	Mr D Farrington (Chairman) Mrs A Lees (Vice Chair) Mrs C Duggan Mrs S Greaves Mr D Kinghorn Mr J Robinson

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 *continued...*

Structure, Governance and Management

Governing Document

Oldham Engineering Group Training Association known as OTC, is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

The liability of the members is limited to £20 each on a winding up whilst membership continues or within one year after membership ceases.

Membership of the company at 31 July 2021 stood at 42 members (42 members at 31 July 2020).

Appointment of trustees

Members of the Board of Trustees are drawn from member companies, local business, education and voluntary sector communities.

Trustees' induction and training

There is currently no formal training or induction process for trustees but informal seminars are held after board meetings and a Charity Commission booklet is available to inform trustees of their rights and responsibilities.

Organisation

The company is controlled and operated on a day-to-day basis by a CEO and two supporting managers who are all very experienced in the work-based learning field. The management team are supported by a board of trustees with whom they work very closely. A total of 12 staff (reduced from previous year) are employed with an additional 6 freelance associates delivering a variety of training provision as required

Related parties

Members of the charity and its Board of Trustees are drawn from local business, member companies, education and training and voluntary sector communities.

Close working relationships exist between the Charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

OTC has a wholly owned subsidiary company *O.T.C. Consultancy Limited*, which provides Health & Safety consultancy and training services.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 continued...

Objectives and activities

The objective of the Charity is to provide quality training and training facilities for the apprentices and employees of both member and non member companies serving mainly the engineering, manufacturing and construction industries along with warehousing and distribution and all classes of industry and commerce.

Funding is provided mainly through the Education & Skills Funding Agency (E.S.F.A) and supplemented by other providers.

The Trustees are mindful of the Charity Commission guidance on public benefit and consider that the provision of training which enhances employment opportunities for young people is of benefit to the local economy and society generally.

Risk management

The trustees have assessed the main risks to which the charity is exposed; in particular those related to the operations and finance of OTC and are satisfied that systems are in place to mitigate the exposure to such risks.

Achievements, performance and future plans

2020-2021 started and continued to see a stagnated level of Apprenticeship appetite by local and regional employers in line with similar independent training providers and indeed the wider economic situation resulting from the covid-19 pandemic. Brexit concerns continued to be felt along with a vast proportion of employers furloughing their workforce through the job retention scheme. This saw the local employment sectors of Engineering and Business Service sectors tread tentatively with regard to recruitment of Apprenticeships. It was clear the delay in Brexit transition and trading agreements between UK and EU would linger further into 2021 and beyond in turn affecting the UK economy as a whole, especially engineering, manufacturing and service sectors. The continued reduction in the percentage of employer contribution at 5% did, however, help to stimulate some enquiries. Levy concerns also weighed heavy on SME's approach to recruitment of new Apprentices, limiting OTC's funding position.

Covid-19 continued to affect all further educational establishments throughout the whole duration of this financial year. Greater Manchester, which Oldham is within, saw the highest possible tiered restrictions enforced for at least 8 of the 12 trading financial months. This resulted in only having invited-only attendees to the centre, whether for Apprenticeship and/or commercial training courses. Employer and learner contact was substantially interrupted with employers prohibiting access to sites but virtual contact continued to ensure progression was reviewed and course disruption kept to a minimum. Welfare of learners and OTC staff continued to be a priority and as such OTC has 2 Mental Health first aiders to support as required. As a result of the restrictions, minimal numbers of new Apprenticeship starts were seen which affected this period of trade. These concerns were mirrored across similar independent training providers. OTC board of trustees kept abreast of ongoing concerns and developments through regular recorded reporting.

OTC continued to support employers, centre based, at employers premises and virtually in line with Covid-19 guidelines and changing restrictions created by Covid-19 which continued for the whole duration of this financial year. We continued to review and expand our relationships with existing and future partners working with other independent Training Providers and Prime Providers (through subcontract arrangements) to extend provision in the sector.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 continued...

Financial Review

In what proved to be another challenging year, the financial statements show an operating profit of £58,419 (2020: operating loss of £1,700). The business faced a number of practical issues which led to a reduction in income especially when enforced Lockdown or high tiered restrictions affected attendees to the centre for apprenticeship and commercial training courses. A robust management system was in place to ensure critical only spend and running with minimum training employee costs.

The Government's phasing out of Apprenticeship Frameworks and the introduction of new Apprenticeship Standards resulted in OTC investing in further delivery development and upgrades to the training centre in order to meet the challenges new content and delivery models would bring, whilst continuing to maintain and deliver existing qualification pathways. In order to meet these demands, it became necessary to utilise additional sector expertise. As a consequence of investing in new Standards, however, Employer interest has been slowly growing leading to a number of new apprentice starts. This was continually reviewed as Covid-19 and Brexit affected the further education and wider supporting economic sectors.

Looking forward, previously announced reforms and funding changes for the contract year 2019-2020 were delayed into 2021 due to Covid-19. All levy and non-levy employers now reserve funding through the DAS (Digital Account Service) as of April 2021, a process which was previously only in place for non-levy employers. This change should over time enable a smoother funding reservation process. OTC is ideally placed to continue support to small employers in adapting to the new system. At this early stage, it is difficult to accurately assess the impact or, indeed, predict future contracts and cash flow in the short to medium term. Both Brexit and Covid-19 will affect Apprenticeship provisions over the next 1-2 years.

Cash flow and activity levels are monitored on a very regular basis and the Trustees are confident that the careful management of resources, the best use of the excellent training facility and the support of all staff members will enable the charity to continue to offer engineering training to the businesses of Oldham and the surrounding areas.

Investment powers and policy

All funds not immediately required are placed on high interest deposit, although deposit rates are very low as the Bank of England base rate is currently 0.1%

Reserves policy

The Board of Directors and senior management team believe we have the resources to maintain and strengthen our position in the training environment.

The majority of the charity's reserves are in cash and invested in the property and land at Lees Road, Oldham which is free of borrowings and which could be used as collateral in the event of an emergency, meanwhile reducing the cost base of the company to allow greater training activities. Currently the "free reserves" total £294,992 (2020: £214,416) which equates to approximately 5 months expenditure (2020: 3.5 months). The Charity's aim is to hold 3 -6 months in reserve.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 continued...

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and 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 its surplus or deficit 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 sound judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 company will continue in operation.

The trustees are responsible for maintaining proper accounting records which 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.

In so far as the trustees are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees confirm that the financial statements comply with current statutory requirements, the requirements of the memorandum and articles of association and the requirements of the Charities SORP.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Auditors

The auditors, Champion Accountants LLP, are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the board on 31st March 2022
and signed on its behalf by:



D Farrington
Trustee/Director

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Oldham Engineering Group Training Association Limited for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Report Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 Trustees/Directors report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information and our opinion on the financial statements does not cover the other information, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
 - the charitable company's 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.
- 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED continued..**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 directors 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

Audit procedures

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We consider the applicable laws and regulations to be the financial reporting framework (FRS 102 and the Companies Act 2006), Charly Law, the relevant Tax legislation in the UK, Employment Law, Safeguarding legislation, the Health and Safety at Work Act 1974 and the Further and Higher Education Act.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of reports from regulators; review of minutes of meetings of those charged with governance; review and testing of manual journals, relevant nominals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Champion Accountants LLP

Susan Harris MA ACA (Senior Statutory Auditor)

For and on behalf of Champion Accountants LLP

2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Date: *6 April 2022*

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account) : YEAR ENDED 31 JULY 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<u>Income and endowments from:</u>					
<i>Raising funds:</i>					
<i>Other trading activities:</i>					
Commercial trading operations	2	-	-	-	-
Other income and donations	3	30,611	-	30,611	27,668
<i>Investment Income</i>	4	550	-	550	10
		<u>31,161</u>	<u>-</u>	<u>31,161</u>	<u>27,678</u>
<i>Charitable activities:</i>					
Training fees	5	567,773	-	567,773	665,265
Total income and endowments		<u>598,934</u>	<u>-</u>	<u>598,934</u>	<u>692,943</u>
<u>Expenditure on:</u>					
<i>Raising funds:</i>					
Commercial trading operations		-	-	-	-
<i>Charitable activities:</i>					
Training and governance costs		540,515	-	540,515	694,643
Total expenditure	6	<u>540,515</u>	<u>-</u>	<u>540,515</u>	<u>694,643</u>
Net income/(expenditure)		58,419	-	58,419	(1,700)
<i>Other recognised gains/(losses)</i>					
Gain on revaluation of freehold property	9	-	-	-	-
Net movement in funds		<u>58,419</u>	<u>-</u>	<u>58,419</u>	<u>(1,700)</u>
<i>Reconciliation of funds</i>					
Total funds brought forward		848,922	-	848,922	850,622
Total funds carried forward	20	<u>907,340</u>	<u>-</u>	<u>907,340</u>	<u>848,922</u>

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

All income and expenditure derive from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.


OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET : AS AT 31 JULY 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	612,348	634,503
Investment in subsidiary company	12	2	2
		<u>612,348</u>	<u>634,505</u>
CURRENT ASSETS			
Debtors and prepayments	13	101,993	94,162
Cash at bank and in hand		253,178	215,884
		<u>355,172</u>	<u>310,046</u>
CREDITORS:			
Amounts falling due within one year	14	(60,179)	(84,149)
NET CURRENT ASSETS (LIABILITIES)			
		<u>294,992</u>	<u>225,897</u>
CREDITORS:			
Amounts falling due over one year	15	-	11,481
NET ASSETS			
	20	<u>907,340</u>	<u>848,921</u>
FUNDS			
<i>Unrestricted funds:</i>			
Designated	19	434,058	440,446
General	19	473,282	408,475
TOTAL FUNDS	19	<u>907,340</u>	<u>848,921</u>

These accounts have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102 (effective January 2015).

The financial statements were approved by the Board on 31/03/2022, and signed on its behalf by:


 Trustee/Director
D Farrington

Registration number: 979949

The accompanying notes are an integral part of this balance sheet.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS : YEAR ENDED 31 JULY 2021

	<i>Note</i>	2021 £	2020 £
CASH USED IN OPERATING ACTIVITIES	<i>21</i>	<u>45,461</u>	<u>28,679</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		550	10
Purchase of tangible fixed assets		(6,960)	(17,143)
Proceeds from sale of tangible fixed assets		12,830	-
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>6,419</u>	<u>(17,133)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowing		(14,586)	0
CASH USED IN FINANCING ACTIVITIES		<u>(14,586)</u>	<u>0</u>
Increase/(decrease) in cash and cash equivalents in the year		37,294	8,746
Cash and cash equivalents at the beginning of the year		215,884	207,138
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>253,178</u></u>	<u><u>215,884</u></u>

1 Accounting policies

a) **Basis of preparation**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) **Company status**

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £20 per member.

c) **Incoming resources**

All incoming resources are included in the SOFA when the charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with reasonable accuracy.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

d) **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. estimated usage).

- Costs of generating funds are those costs incurred in trading activities that raise funds.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.

- Governance costs include those 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.

e) **Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged under a separate heading in the SOFA.

f) **Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

g) **Tangible fixed assets and depreciation**

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows :

Freehold land	- not depreciated
Freehold buildings	- 2% on valuation
Plant and machinery	- 10% on cost
Office equipment and fixtures	- 20% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

h) **Property revaluation policy**

Freehold land and buildings are initially measured at cost and subsequently at cost or valuation, net of depreciation and any impairment losses. Valuations are undertaken on a regular basis, with a formal valuation every five years, to ensure that the carrying amount does not differ materially from fair value. Gains and losses on revaluation are recognised in the SOFA. An impairment review is carried out annually.

i) **Fixed asset investments policy**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised in the SOFA. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

1 Accounting policies continued

j) Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

k) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees / directors for particular purposes.

l) Pensions

Defined contribution scheme

Contributions in respect of the company's defined contribution pension scheme are charged to the SOFA for the year in which they are payable to the scheme.

m) Changes in presentation

Where changes in presentation have been made the comparative figures have been adjusted accordingly.

n) Going concern

During the year, the charity generated a profit, after gift aid from its subsidiary company, of £58,419 (2020: loss of £1,700). The charity has net assets of £907,340 (2020: net assets £848,922) and the trustees believe that there will be sufficient resources to enable both companies to continue to operate for the foreseeable future. Working capital at the end of the year was £295,509 (2020: £215,034) and has remained strong since the year end.

In deciding to adopt a going concern basis for preparing the accounts, the trustees have considered the ongoing significant impact that the global pandemic COVID-19 outbreak has had on the worldwide economy. The trustees are aware of the effects that this may subsequently have on the charity and during the year reviewed and adopted relevant operational strategies, including strategies to enable it to continue to deliver its service, in order to safeguard the charity for the ensuing 12 months.

o) Financial instruments

The charity accounts for basic financial instruments, debtors and prepayments and creditors and accruals, at the undiscounted amount of the cash or other consideration expected to be received or paid.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

2 Commercial trading operations

The charity does not carry out any fund raising activities or receive income from any commercial trading operations.

Total 2021	Total 2020
£	£

3 Other income and donations

Members levies	1,125	1,525
Income from subsidiary company	29,486	19,486
Government grants	-	6,657
	<u>30,611</u>	<u>27,668</u>

4 Investment income

Bank deposit interest	550	10
	<u>550</u>	<u>10</u>

5 Incoming resources from charitable activities

Training fees receivable:

Government training fees	543,772	615,912
<u>less college training and registration fees</u>	<u>(20,800)</u>	<u>(22,712)</u>
	522,972	593,200
Other training fees	44,801	72,065
	<u>567,773</u>	<u>665,265</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

6 Total resources expended

	Raising funds IF	Charitable activities		Total 2021 £	Total 2020 £
		Training IF	Governance IF		
Costs directly allocated to activities					
<i>Department:</i>					
Business Administration & Warehousing Training		11,954	-	11,954	20,424
Engineering Training		209,399	-	209,399	263,166
Marketing and Courses		45,999	-	45,999	52,193
	-	267,352	-	267,352	335,783
Support costs					
Administration,Accounts, and Management		174,017	33,394	207,411	289,668
Premises Costs		46,349	-	46,349	49,057
Non-attributable VAT		19,403	-	19,403	20,135
	-	239,768	33,394	273,163	358,860
Total expenditure	-	507,121	33,394	540,515	694,643

Support costs have been apportioned using time spent, a basis which is considered consistent with the use of the resources.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

	Total 2021 £	Total 2020 £
7 <u>Staff costs</u>		
Total staff emoluments for the year were as follows:		
Salaries	337,480	456,027
National Insurance	34,734	40,875
Pension and life assurance	12,025	13,143
	384,239	510,045
<u>Less</u> recharged to OTC Consultancy Limited	(35,294)	(35,294)
	348,945	474,751

8 Staff numbers

The average monthly head count was 13 staff (2020: 21 staff) and the average monthly number of full-time equivalent employees (including part-time staff) during the year were as follows:

	2021 Number	2020 Number
Charitable activities	12	20
Governance	1	1
	13	21

No employees had employee benefits in excess of £60,000 (2020: Nil).

9 Net movement in funds

Net movement in funds is arrived at after charging /(crediting):

Depreciation of tangible fixed assets	19,746	22,687
Loss (Profit) on disposal of fixed assets	(3,459)	-
Gain on revaluation of freehold property	-	-
Auditors' remuneration:		
audit of charitable company	6,650	6,325
non-audit	-	-

10 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

11 Tangible fixed assets

	Freehold Land and Buildings	Plant Machinery & Equipment	Motor Vehicles	Total
<u>Cost/valuation</u>				
At 1 August 2020	600,000	223,698	23,785	847,483
Additions	-	6,960	-	6,960
Disposals	-	-	(23,785)	(23,785)
At 31 July 2021	<u>600,000</u>	<u>230,658</u>	<u>-</u>	<u>830,658</u>
<u>Depreciation</u>				
At 1 August 2020	8,330	191,722	12,927	212,980
Charge for the period	8,330	9,930	1,487	19,746
Disposals	-	-	(14,414)	(14,414)
At 31 July 2021	<u>16,660</u>	<u>201,652</u>	<u>0</u>	<u>218,312</u>
<u>Net Book Value</u>				
At 31 July 2021	<u>583,340</u>	<u>29,006</u>	<u>-</u>	<u>612,346</u>
At 31 July 2020	<u>591,670</u>	<u>31,976</u>	<u>10,857</u>	<u>634,503</u>

The historical cost of freehold land and buildings included above at valuation was £242,500 (2020 : £242,500) and the aggregate depreciation thereon would have been £97,333 (2020 : £93,333).

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles
<u>Cost/valuation</u>	
At 1 August 2020	23,785
Additions	-
Disposals	(23,785)
At 31 July 2021	<u>-</u>
<u>Depreciation</u>	
At 1 August 2020	12,927
Charge for the period	1,487
Disposals	(14,414)
At 31 July 2021	<u>-</u>
<u>Net Book Value</u>	
At 31 July 2021	<u>-</u>
At 31 July 2020	<u>10,857</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

	2021 £	2020 £
12 <u>Investment in subsidiary company</u>		
At cost	<u>2</u>	<u>2</u>

The above investment is in O.T.C. Consultancy Limited a company incorporated and registered in England and Wales which provides consultancy services.

The holding consists of 2 ordinary shares of £1 each, and is the whole of the issued share capital. At 31 July 2021 the accumulated share capital and reserves of OTC Consultancy Limited amounted to £20,383 (2020 : £25,650).

13 Debtors and prepayments

Trade debtors	63,256	72,174
Amount due from subsidiary undertaking	27,043	12,096
Prepayments and accrued income	11,694	9,893
	<u>101,993</u>	<u>94,162</u>

14 Creditors : amounts falling due within one year

Trade creditors	17,494	17,495
Taxation and social security costs	5,962	4,835
Hire purchase	-	3,105
Other creditors and accruals	23,474	35,795
Deferred income	13,249	22,919
	<u>60,179</u>	<u>84,149</u>

15 Creditors : amounts falling due over one year

Hire purchase	-	11,481
	<u>-</u>	<u>11,481</u>

16 Leasing agreements

Minimum lease payments fall due as follows:

	Hire purchase	
Net obligations repayable:		
Within one year	-	3,105
Between one and five years	-	11,481
	<u>-</u>	<u>14,586</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

17 Related party transactions and transactions with directors

During the year the parent company received management charges and other income of £42,780 (2020 : £42,780) from the subsidiary company and was charged for services of £Nil (2020 : £Nil) by the subsidiary company O.T.C. Consultancy Limited.

The subsidiary company also paid net income of £22,000 (2020 : £12,000) to the parent company under a gift aid arrangement.

At 31 July 2021 OTC Consultancy Limited owed the parent company £27,043 (2020 : £12,096).

Members of the company and the Board of Trustees are representatives of the business, education and training, and voluntary sector communities. Close working relationships exist between the charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where any transactions take place between the charity and member companies and organisations with which the trustees might be connected, they are on normal commercial terms.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emoluments or payment for professional or other services.

During the year the company charged membership fees to companies in which members of the board of OTC are either directors or shareholders. The amounts charged were as follows: E Farrington & Co Limited £Nil (2020 : £Nil), Concept Metal Products Limited £Nil (2020 : £Nil), Focus Education/Talking Point (UK) Limited £100 (2020 : £100) and Innovative Technology Limited £100 (2020 : £Nil). There were amounts owing to the company at the year end as follows: E Farrington & Co Limited £Nil (2020 : £Nil), Concept Metal Products Limited £1,560 (2020 : £1,560), Focus Education (UK) Limited £Nil (2020 : £Nil), and Innovative Technology Limited £Nil (2020 : £Nil).

18 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £10,702 (2020 : £11,326)

19 Analysis of charitable funds

Analysis of fund movements:

	At 1 August 2020 £	Incoming resources £	Resources expended £	Gains (losses) £	Transfers £	At 31 July 2021 £
<i>Restricted Funds:</i>	-	-	-	-	-	-
<i>Unrestricted funds:</i>						
General fund	408,475	598,934	(540,515)	-	6,387	473,281
Designated fund	440,446	-	-	-	(6,387)	434,058
Total	848,921	598,934	(540,515)	-	-	907,339

The designated fund represents the revaluation reserve relating to the company's freehold land and buildings

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2021

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	178,288	434,058	-	612,346
Investment in subsidiary company	2	-	-	2
Current assets	355,172	-	-	355,172
Current liabilities	(60,179)	-	-	(60,179)
Long Term liabilities	0	-	-	0
Net assets 31 July 2021	<u>473,282</u>	<u>434,058</u>	<u>-</u>	<u>907,340</u>

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	58,419	(1,700)
Add back depreciation charge	19,746	22,687
Gain on disposal of tangible assets	(3,459)	
Gain on revaluation of freehold property		
Deduct interest income shown in investing activities	(550)	(10)
Decrease/(increase) in stock	-	-
Decrease/(increase) in debtors	(7,831)	22,654
Increase/(decrease) in creditors	(20,865)	(14,953)
Net cash used in operating activities	<u>45,461</u>	<u>28,679</u>

THE OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 526145

Accounts

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

(a company limited by guarantee and not having share capital)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

Company number: 979949

Registered Charity Number: 526145

Champion Accountants LLP

2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

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OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2020

The trustees/directors of Oldham Engineering Group Training Association Limited (T/A OTC) present their fiftieth annual report together with the financial statements for the year ended 31 July 2020. The directors or members of the board of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the 'trustees'.

Reference and Administrative Information

<u>Charity number:</u>	526145
<u>Company number:</u>	979949
<u>Chief Executive:</u>	N Eglin
<u>Principal office:</u>	Lees Road, Oldham, OL4 1JP
<u>Auditors:</u>	Champion Accountants LLP. 2nd Floor Refuge House, 33-37 Watergate Row, Chester. CH1 2LE
<u>Bankers:</u>	Barclays Bank PLC, Oldham
<u>Trustees:</u>	Mr D Farrington (Chairman) Mrs A Lees (Vice Chair) Mr D Barnard (Resigned 10.03.20) Mrs C Duggan Mrs S Greaves (Appointed 09.07.20) Mr D Kinghorn (Appointed 01.10.19) Mr J Robinson

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2020 *continued...*

Structure, Governance and Management

Governing Document

Oldham Engineering Group Training Association known as OTC, is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

The liability of the members is limited to £20 each on a winding up whilst membership continues or within one year after membership ceases.

Membership of the company at 31 July 2020 stood at 42 members (54 members at 31 July 2019).

Appointment of trustees

Members of the Board of Trustees are drawn from member companies, local business, education and voluntary sector communities.

Trustees' induction and training

There is currently no formal training or induction process for trustees but informal seminars are held after board meetings and a Charity Commission booklet is available to inform trustees of their rights and responsibilities.

Organisation

The company is controlled and operated on a day to day basis by a CEO and two supporting managers who are all very experienced in the work based learning field. The management team are supported by a board of trustees with whom they work very closely. A total of 16 staff are employed with an additional 6 freelance associates delivering a variety of training provision as required.

Related parties

Members of the charity and its Board of Trustees are drawn from local business, member companies, education and training and voluntary sector communities.

Close working relationships exist between the Charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

OTC has a wholly owned subsidiary company *O.T.C. Consultancy Limited*, which provides Health & Safety consultancy and training services.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2020 *continued...*

Objectives and activities

The objective of the Charity is to provide quality training and training facilities for the apprentices and employees of both member and non member companies serving mainly the engineering, manufacturing and construction industries along with warehousing and distribution and all classes of industry and commerce.

Funding is provided mainly through the Education & Skills Funding Agency (E.S.F.A) and supplemented by other providers.

The Trustees are mindful of the Charity Commission guidance on public benefit and consider that the provision of training which enhances employment opportunities for young people is of benefit to the local economy and society generally.

Risk management

The trustees have assessed the main risks to which the charity is exposed; in particular those related to the operations and finance of OTC and are satisfied that systems are in place to mitigate the exposure to such risks.

Achievements, performance and future plans

2019-2020 began to see an improving increase of Apprenticeship appetite by local and regional employers following on from the increased success of 2018-2019, however Brexit and the looming access to the Digital Account Service (DAS) for SME's, began to have an impact from November 2019. This saw the local employment sectors of Engineering and Business Service sectors tread tentatively with regard to recruitment of Apprenticeships. It was clear the delay in Brexit transition and trading agreements between UK and EU would linger further into 2020 in turn affecting the UK economy as a whole, especially engineering, manufacturing and service sectors. The continued reduction in the percentage of employer contribution (from 10% to 5%) did, however, help to stimulate some enquiries. Levy concerns also weighed heavy on SME's approach to recruitment of new Apprentices, limiting OTC's funding position.

Covid-19 affected all further educational establishments with total centre closure from mid-March to beginning of June 2020 with only remote support possible for our apprentices during this time. During June and July 2020 we continued to provide only remote support with the exception of critical and vulnerable learners who were supported within our Covid-19 Secure training centre. As a result of the restrictions, minimal numbers of new Apprenticeship starts were seen which affected this period of trade.

OTC continued to support employers, mainly virtually, due to the restrictions created by Covid-19 from March to July 2020. We continued to review and expand our relationships with existing and future partners working with other independent Training Providers and Prime Providers (through subcontract arrangements) to extend provision in the sector.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2020 *continued...*

Financial Review

In what proved to be another difficult year the financial statements show an operating deficit of £1,700 (2019: £36,829). As already mentioned in this report we faced a number of practical issues which led to a reduction in income without a similar reduction in expenditure, mainly Apprenticeship training employee costs.

The Government's phasing out of Apprenticeship Frameworks and the introduction of new Apprenticeship Standards resulted in OTC investing in further delivery development and upgrades to the training centre in order to meet the challenges new content and delivery models would bring, whilst continuing to maintain and deliver existing qualification pathways. In order to meet these demands, it became necessary to utilise additional sector expertise. As a consequence of investing in new Standards, however, Employer interest has been slowly growing leading to a number of new apprentice starts. This was continually reviewed as Covid-19 affected the further education and wider supporting economic sectors.

Looking forward, the Government announced that previously announced reforms and funding changes for the contract year 2019-2020 would be delayed into 2021 due to Covid-19, some of which are planned to ease the transfer of levy cash to non-levy companies in an endeavour to further stimulate the sector. OTC is ideally placed to continue support to small employers in adapting to the upcoming changes. At this early stage, it is difficult to accurately assess the impact or, indeed, predict future contracts and cash flow in the short to medium term. Both Brexit and Covid-19 will affect Apprenticeship provisions over the next 1-2 years.

Cash flow and activity levels are monitored on a very regular basis and the Trustees are confident that the careful management of resources, the best use of the excellent training facility and the support of all staff members will enable the charity to continue to offer engineering training to the businesses of Oldham and the surrounding areas.

Investment powers and policy

All funds not immediately required are placed on high interest deposit, although deposit rates are very low, currently 1% - 2%.

Reserves policy

The Board of Directors and senior management team believe we have the resources to maintain and strengthen our position in the training environment.

The majority of the charity's reserves are in cash and invested in the property and land at Lees Road, Oldham which is free of borrowings and which could be used as collateral in the event of an emergency, meanwhile reducing the cost base of the company to allow greater training activities. Currently the "free reserves" total £224,970 (2019: £209,380) which equates to approximately 3.5 months expenditure (2019: 3.5 months). The Charity's aim is to hold 3 -6 months in reserve.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

REPORT OF THE TRUSTEES/DIRECTORS FOR THE YEAR ENDED 31 JULY 2020 continued...

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and 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 its surplus or deficit 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 sound judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 company will continue in operation.

The trustees are responsible for maintaining proper accounting records which 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.

In so far as the trustees are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

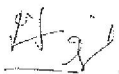
The trustees confirm that the financial statements comply with current statutory requirements, the requirements of the memorandum and articles of association and the requirements of the Charities SORP.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Auditors

The auditors, Champion Accountants LLP, are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the board on 23rd April 2021
and signed on its behalf by:



D Farrington
Trustee/Director

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

Opinion

We have audited the financial statements of Oldham Engineering Group Training Association Limited for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Report Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees/Directors report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information and our opinion on the financial statements does not cover the other information, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.
- 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED continued..

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 directors 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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 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 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.

Champion Accountants LLP

Susan Harris MA ACA (Senior Statutory Auditor)

For and on behalf of **Champion Accountants LLP**

2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Date :

26 April 2021

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 JULY 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<u>Income and endowments from:</u>					
<i>Raising funds:</i>					
<i>Other trading activities:</i>					
Commercial trading operations	2	-	-	-	-
Other income and donations	3	27,668	-	27,668	11,099
<i>Investment income</i>	4	10	-	10	371
		27,678	-	27,678	11,470
<i>Charitable activities:</i>					
Training fees	5	665,265	-	665,265	620,008
Total income and endowments		692,943	-	692,943	631,478
<u>Expenditure on:</u>					
<i>Raising funds:</i>					
Commercial trading operations		-	-	-	-
<i>Charitable activities:</i>					
Training and governance costs		694,643	-	694,643	668,308
Total expenditure	6	694,643	-	694,643	668,308
Net income/(expenditure)		(1,700)	-	(1,700)	(36,829)
<i>Other recognised gains/(losses)</i>					
Gain on revaluation of freehold property	9	-	-	-	176,926
Net movement in funds		(1,700)	-	(1,700)	140,096
<i>Reconciliation of funds</i>					
Total funds brought forward		850,621	-	850,621	710,525
Total funds carried forward	20	848,921	-	848,921	850,621

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

All income and expenditure derive from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

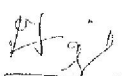
OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET : AS AT 31 JULY 2020

	Note	2018 £	2019 £
FIXED ASSETS			
Tangible assets	11	634,503	640,047
Investment in subsidiary company	12	2	2
		<u>634,505</u>	<u>640,049</u>
CURRENT ASSETS			
Debtors and prepayments	13	94,162	116,817
Cash at bank and in hand		215,884	207,138
		<u>310,046</u>	<u>323,955</u>
CREDITORS:			
Amounts falling due within one year	14	(84,149)	(99,102)
		<u>225,897</u>	<u>224,853</u>
NET CURRENT ASSETS (LIABILITIES)			
CREDITORS:			
Amounts falling due over one year	15	11,481	14,281
		<u>848,921</u>	<u>850,621</u>
NET ASSETS	20		
FUNDS			
<i>Unrestricted funds:</i>			
Designated	19	440,446	446,833
General	19	408,475	403,788
TOTAL FUNDS	19	<u>848,921</u>	<u>850,621</u>

These accounts have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102 (effective January 2015).

The financial statements were approved by the Board on 23/04/21 and signed on its behalf by:


 Trustee/Director

Registration number: 979949

The accompanying notes are an integral part of this balance sheet.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS : YEAR ENDED 31 JULY 2020

	<i>Note</i>	2020 £	2019 £
CASH USED IN OPERATING ACTIVITIES	21	<u>28,679</u>	<u>27,131</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		10	371
Purchase of tangible fixed assets		(17,143)	(8,206)
Proceeds from sale of tangible fixed assets		-	950
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(17,133)</u>	<u>(6,885)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowing		(2,800)	(3,104)
CASH USED IN FINANCING ACTIVITIES		<u>(2,800)</u>	<u>(3,104)</u>
Increase/(decrease) in cash and cash equivalents in the year		8,746	17,142
Cash and cash equivalents at the beginning of the year		207,138	189,996
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>215,884</u></u>	<u><u>207,138</u></u>

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Company status

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £20 per member.

c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with reasonable accuracy.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. estimated usage).

- Costs of generating funds are those costs incurred in trading activities that raise funds.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.

- Governance costs include those 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.

e) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged under a separate heading in the SOFA.

f) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

g) Tangible fixed assets and depreciation

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows :

Freehold land	- not depreciated
Freehold buildings	- 2% on valuation
Plant and machinery	- 10% on cost
Office equipment and fixtures	- 20% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

h) Property revaluation policy

Freehold land and buildings are initially measured at cost and subsequently at cost or valuation, net of depreciation and any impairment losses. Valuations are undertaken on a regular basis, with a formal valuation every five years, to ensure that the carrying amount does not differ materially from fair value. Gains and losses on revaluation are recognised in the SOFA. An impairment review is carried out annually.

i) Fixed asset investments policy

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised in the SOFA. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies continued

j) Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

k) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees / directors for particular purposes.

l) Pensions

Defined contribution scheme

Contributions in respect of the company's defined contribution pension scheme are charged to the SOFA for the year in which they are payable to the scheme.

m) Changes in presentation

Where changes in presentation have been made the comparative figures have been adjusted accordingly.

n) Going concern

The trustees have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the trustees is that, while they acknowledge the significant disruption that the pandemic has had in the last year and will continue to bring over the coming months, the trustees feel that the charity is well placed to negotiate the unique set of conditions currently facing the UK economy – the charity's income, in the main, is government funded, its current level of cash is positive, and its freehold property unencumbered, which gives the trustees comfort in being able to meet the Charity's liabilities for the coming 12 months.

In reaching their conclusion, the trustees have considered the company's monthly cash flows, applied sensitivity analyses as appropriate, and considered the various financial support measures which were put in place by the UK government.

The ESFA continued to accept and fund monthly claims for apprenticeships throughout the pandemic and this is anticipated to continue in to the future. This ongoing understanding removed pressure points and the need to furlough the majority of the staff through the early months of the pandemic.

Curriculum delivery models and plans were and continue to be adapted for remote and hybrid learning approaches. Staff development plans have been put in place to equip staff with the skills to continue to deliver learning through new and innovating methods. Employers continue to be supportive and enabling of the changes which have been implemented

After consideration of all factors, the trustees continue to adopt the going concern basis in preparing the financial statements.

o) Financial instruments

The charity accounts for basic financial instruments, debtors and prepayments and creditors and accruals, at the undiscounted amount of the cash or other consideration expected to be received or paid.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

2 Commercial trading operations

The charity does not carry out any fund raising activities or receive income from any commercial trading operations.

Total 2020 £	Total 2019 £
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3 Other income and donations

Members levies	1,525	3,613
Income from subsidiary company	19,486	7,486
Government grants	6,657	-
	<u>27,668</u>	<u>11,099</u>

4 Investment income

Bank deposit interest	10	371
	<u>10</u>	<u>371</u>

5 Incoming resources from charitable activities

Training fees receivable:

Government training fees	615,912	597,820
<u>less college training and registration fees</u>	<u>(22,712)</u>	<u>(19,929)</u>
	593,200	577,891
Other training fees	72,065	42,118
	<u>665,265</u>	<u>620,008</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

6 Total resources expended

	Raising funds If	Charitable activities		Total 2020 £	Total 2019 £
		Training If	Governance If		
Costs directly allocated to activities					
<i>Department:</i>					
Business Administration & Warehousing Training		20,424	-	20,424	20,253
Engineering Training		263,166	-	263,166	262,960
Marketing and Courses		52,193	-	52,193	50,947
	-	335,783	-	335,783	334,161
Support costs					
Administration,Accounts, and Management		257,523	32,145	289,668	269,347
Premises Costs		49,057	-	49,057	45,645
Non-attributable VAT		20,135	-	20,135	19,155
	-	326,715	32,145	358,860	334,147
Total expenditure	-	662,498	32,145	694,643	668,308

Support costs have been apportioned using time spent, a basis which is considered consistent with the use of the resources.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

	Total 2020 £	Total 2019 £
7 <u>Staff costs</u>		
Total staff emoluments for the year were as follows:		
Salaries	456,027	423,756
National Insurance	40,875	33,039
Pension and life assurance	13,143	11,903
	<u>510,045</u>	<u>468,698</u>
<u>Less</u> recharged to OTC Consultancy Limited	(35,294)	(35,294)
	<u><u>474,751</u></u>	<u><u>433,404</u></u>

8 Staff numbers

The average monthly head count was 21 staff (2019: 21 staff) and the average monthly number of full-time equivalent employees (including part-time staff) during the year were as follows:

	2020 Number	2019 Number
Charitable activities	20	20
Governance	1	1
	<u>21</u>	<u>21</u>

No employees had employee benefits in excess of £60,000 (2019: Nil).

9 Net movement in funds

Net movement in funds is arrived at after charging /(crediting):

Depreciation of tangible fixed assets	22,687	22,927
Loss (Profit) on disposal of fixed assets	-	(950)
Gain on revaluation of freehold property	-	(176,926)
Auditors' remuneration:		
audit of charitable company	6,000	6,000
non-audit	-	-

10 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

11 Tangible fixed assets

	Freehold Land and Buildings	Plant Machinery & Equipment	Motor Vehicles	Total
<u>Cost/valuation</u>				
At 1 August 2019	600,000	206,555	23,785	830,340
Additions	-	17,143	-	17,143
At 31 July 2020	<u>600,000</u>	<u>223,698</u>	<u>23,785</u>	<u>847,483</u>
<u>Depreciation</u>				
At 1 August 2019	-	183,312	6,981	190,293
Charge for the period	8,330	8,411	5,946	22,687
At 31 July 2020	<u>8,330</u>	<u>191,722</u>	<u>12,927</u>	<u>212,980</u>
<u>Net Book Value</u>				
At 31 July 2020	<u>591,670</u>	<u>31,976</u>	<u>10,857</u>	<u>634,503</u>
At 31 July 2019	<u>600,000</u>	<u>23,243</u>	<u>16,804</u>	<u>640,047</u>

In February 2020 the freehold land and buildings were valued by Messrs Breakey & Nuttall, Chartered Surveyors and Property Advisors, at an open market value of £600,000. This valuation was included in the financial statements at 31 July 2019.

The historical cost of freehold land and buildings included above at valuation was £242,500 (2019 : £242,500) and the aggregate depreciation thereon would have been £93,333 (2019 : £89,333).

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles
<u>Cost/valuation</u>	
At 1 August 2019	23,785
Additions	-
Disposals	-
At 31 July 2020	<u>23,785</u>
<u>Depreciation</u>	
At 1 August 2019	6,981
Charge for the period	5,946
Disposals	-
At 31 July 2020	<u>12,927</u>
<u>Net Book Value</u>	
At 31 July 2020	<u>10,857</u>
At 31 July 2019	<u>16,804</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

	2020 £	2019 £
12 <u>Investment in subsidiary company</u>		
At cost	<u>2</u>	<u>2</u>

The above investment is in O.T.C. Consultancy Limited a company incorporated and registered in England and Wales which provides consultancy services.

The holding consists of 2 ordinary shares of £1 each, and is the whole of the issued share capital. At 31 July 2020 the accumulated share capital and reserves of OTC Consultancy Limited amounted to £25,650 (2019 : £14,725).

13 Debtors and prepayments

Trade debtors	72,174	74,959
Amount due from subsidiary undertaking	12,096	30,362
Prepayments and accrued income	9,893	11,496
	<u>94,162</u>	<u>116,817</u>

14 Creditors : amounts falling due within one year

Trade creditors	17,495	9,591
Taxation and social security costs	4,835	11,434
Hire purchase	3,105	3,105
Other creditors and accruals	35,795	42,925
Deferred income	22,919	32,047
	<u>84,149</u>	<u>99,102</u>

15 Creditors : amounts falling due over one year

Hire purchase	11,481	14,281
	<u>11,481</u>	<u>14,281</u>

16 Leasing agreements

Minimum lease payments fall due as follows:

	Hire purchase	
Net obligations repayable:		
Within one year	3,105	3,105
Between one and five years	11,481	14,281
	<u>14,586</u>	<u>17,386</u>

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

17 Related party transactions and transactions with directors

During the year the parent company received management charges and other income of £42,780 (2019 : £42,780) from the subsidiary company and was charged for services of £Nil (2019 : £Nil) by the subsidiary company O.T.C. Consultancy Limited.

The subsidiary company also paid net income of £12,000 (2019 : £Nil) to the parent company under a gift aid arrangement.

At 31 July 2020 OTC Consultancy Limited owed the parent company £12,096 (2019 : £30,362).

Members of the company and the Board of Trustees are representatives of the business, education and training, and voluntary sector communities. Close working relationships exist between the charity and these representatives, which have proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where any transactions take place between the charity and member companies and organisations with which the trustees might be connected, they are on normal commercial terms.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emoluments or payment for professional or other services.

During the year the company charged membership fees to companies in which members of the board of OTC are either directors or shareholders. The amounts charged were as follows: E Farrington & Co Limited £Nil (2019 : £Nil), Concept Metal Products Limited £Nil (2019 : £Nil), Focus Education/Talking Point (UK) Limited £100 (2019 : £100) and Innovative Technology Limited £100 (2019 : £Nil). There were amounts owing to the company at the year end as follows: E Farrington & Co Limited £Nil (2019 : £Nil), Concept Metal Products Limited £1,560 (2019 : £Nil), Focus Education (UK) Limited £Nil (2019 : £120), and Innovative Technology Limited £Nil (2019 : £120).

18 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £11,326 (2019 : £10,381)

19 Analysis of charitable funds

Analysis of fund movements:

	At 1 August 2019 £	Incoming resources £	Resources expended £	Gains (losses) £	Transfers £	At 31 July 2020 £
<i>Restricted Funds:</i>	-	-	-	-	-	-
<i>Unrestricted funds:</i>						
General fund	403,788	692,943	(694,643)	-	6,387	408,475
Designated fund	446,833	-	-	-	(6,387)	440,446
Total	850,621	692,943	(694,643)	-	-	848,921

The designated fund represents the revaluation reserve relating to the company's freehold land and buildings

OLDHAM ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 JULY 2020

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	194,057	440,446	-	634,503
Investment in subsidiary company	2	-	-	2
Current assets	310,046	-	-	310,046
Current liabilities	(84,149)	-	-	(84,149)
Long Term liabilities	(11,481)	-	-	(11,481)
Net assets 31 July 2020	408,475	440,446	-	848,921

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds	(1,700)	140,096
Add back depreciation charge	22,687	22,927
Gain on disposal of tangible assets	-	(950)
Gain on revaluation of freehold property	-	(176,926)
Deduct interest income shown in investing activities	(10)	(371)
Decrease/(increase) in stock	-	-
Decrease/(increase) in debtors	22,654	30,327
Increase/(decrease) in creditors	(14,953)	12,028
Net cash used in operating activities	28,679	27,131