

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	(Appointed 2 November 2023)
	Mr P Sherry	(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	

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 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

	Notes	2023 £	£	2022 £	£
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	<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	<u>13,894</u>	<u>32,773</u>
	611,654	280,505
Share of support and governance costs (see note 6)		
Support	<u>260,463</u>	<u>293,282</u>
	<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 Number	2022 Number
Charitable activities	14	13
Governance	<u>1</u>	<u>1</u>
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> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	614,873	36,108	83,986	75,131	44,849	854,947
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	37,212	30,347	83,755	67,050	44,527	262,891
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount						
At 31 December 2023	577,661	5,761	231	8,081	322	592,056
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 July 2022	589,883	8,221	1,316	14,972	344	614,736
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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> </u>
Carrying amount	
At 31 December 2023	2
	<u> </u>
At 31 July 2022	2
	<u> </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)	
		2023	2022
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries	17	<u>2</u>	<u>2</u>
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		<u>7,994</u>	<u>12,679</u>
		<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		<u>24,516</u>	<u>50,850</u>
		<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	<u>997,585</u>	<u>724,215</u>	<u>(872,117)</u>	<u>-</u>	<u>849,683</u>

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).