

**MIDLAND GROUP TRAINING
SERVICES LIMITED**

REPORT AND FINANCIAL STATEMENTS

31 March 2025

**Company No 984899
Registered Charity No 528785**

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

OBJECTIVES AND ACTIVITIES

MGTS an Educational Charity – Employer Led and Membership Based

Our Aim

To be a national centre of excellence for education, training and development and assessment supporting both young people and adults in the development of engineering competences associated with engineering.

To achieve improved customer business performance by delivering cost effective employee technical and people development solutions to machinery reliant industries.

Charity Aims

- To support young people wishing to access the engineering industry
- To support adult employees and learners to develop themselves, engineering functions and systems to improve business performance
- To contribute to the development of specialist engineering competences within the National workforce to encourage economic development
- The main activities of the Charity have continued to be the provision of Apprenticeships, Training Needs Analysis and Administration, Training and Development courses and events

To achieve this, the Charity:

- Consults with members and employers to achieve a clear understanding of industry needs and provide effective solutions
- Consults with Government and Agencies to ensure that MGTS strategy supports industry related people development policies
- Consults with Local Enterprise Partnerships [LEPs], Local Authority and Schools to develop collaborative solutions to support young people's development, understanding and entry into industry

Our Values

1. MGTS aims to provide our customers with training and assessment activities that are relevant to the individual, their organisation, and its industry sector.
2. We believe that training and assessment activity undertaken should be clear and concise in its design and delivery.
3. That the delivery of any training and assessment activities are undertaken in a way and at a time which fully meets and supports the requirements of our customers, whatever those requirements may be.
4. MGTS will endeavour to take the lead in a professional manner, applying wisdom and knowledge whilst being supporting and encouraging.

Our Commitment

MGTS commit to provide our customers with access to competent staff, learning opportunities, comprehensive equipment and technology and rapid response to meet their training and assessment requirements.

We will achieve this through the application in all instances of our core values by consistently maintaining a high level of knowledge and understanding of the markets and environments within which our customers operate.

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

Our Strategic Objectives



The infographic features the MGTS logo at the top, which consists of a stylized 'm' made of four colored squares (yellow, grey, grey, yellow) followed by 'gts' in white. Below the logo, the text reads: 'MGTS is a registered charity dedicated to supporting both young people and adults in the development of competences associated with engineering. We aim to be a National Centre of Excellence for education, training, development and assessment. Our Strategic objectives are:'. Below this text are five icons, each with a title and a description: 1. People Growth (icon of three people) with the description 'Promote lifelong learning and development with learners, staff and employers.' 2. Product Innovation (icon of a lightbulb with a gear inside) with the description 'Develop and deliver products and services offering progression through education, training, development and assessment.' 3. Commit to Excellence (icon of a star on a ribbon) with the description 'Continually improve quality of content and delivery, focusing on stretching both the capability and experience for the learner.' 4. Stakeholder Engagement (icon of two speech bubbles) with the description 'Work in partnership with customers & stakeholders to provide solutions to their requirements at a local, regional and national level.' 5. Charity Governance (icon of a pound sterling symbol) with the description 'Utilise the charity's resources responsibly in pursuit of the strategic objectives.' At the bottom of the infographic, the text 'UNLOCKING POTENTIAL, DELIVERING PERFORMANCE' is written in large, bold, yellow and white capital letters.

MGTS is a registered charity dedicated to supporting both young people and adults in the development of competences associated with engineering. We aim to be a National Centre of Excellence for education, training, development and assessment. Our Strategic objectives are:

- PEOPLE GROWTH**
Promote lifelong learning and development with learners, staff and employers.
- PRODUCT INNOVATION**
Develop and deliver products and services offering progression through education, training, development and assessment.
- COMMIT TO EXCELLENCE**
Continually improve quality of content and delivery, focusing on stretching both the capability and experience for the learner.
- STAKEHOLDER ENGAGEMENT**
Work in partnership with customers & stakeholders to provide solutions to their requirements at a local, regional and national level.
- CHARITY GOVERNANCE**
Utilise the charity's resources responsibly in pursuit of the strategic objectives.

UNLOCKING POTENTIAL, DELIVERING PERFORMANCE

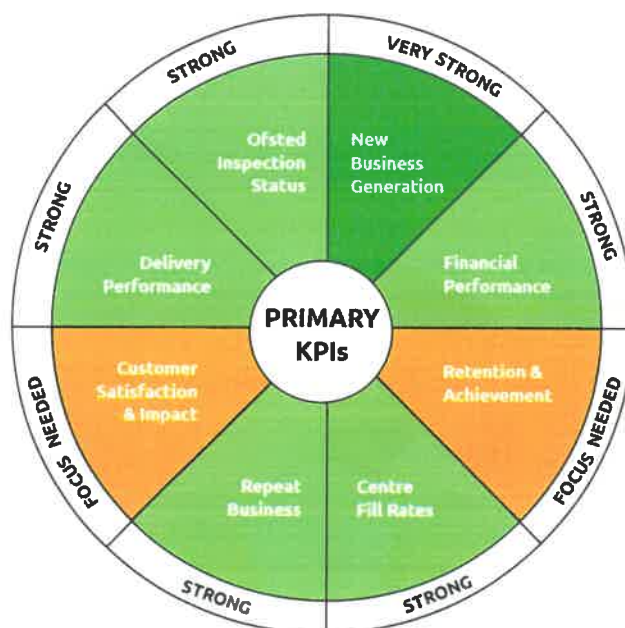
CHALLENGES, ACHIEVEMENTS AND PERFORMANCE

The full year results for fiscal year 24/25 have returned a surplus, although less than the previous year and slightly below the planned budgetary figure. With income overall at slightly below budget, the surplus was generated due to expenditure being well below budget for the same period. Apprentice income has been negatively impacted by higher than usual levels of early leavers and completion funding has also slowed with fewer students completing EPA in the year than had been budgeted for. The business will undertake a deep dive on the issue of early leavers/non-achievers and work has already begun to map the historical numbers for comparison of both the absolute number and more importantly the reasons behind the numbers.

Commercial course activity remains strong, and the results reflect this, realising an above budget and prior year performance. The commercial course calendar continues to be well populated and is further bolstered by the completion in late August 2024 of the new commercial suite of classrooms and practical training area. This has been very well received by customers, in turn allowing for additional changes in the practical and classroom environment for apprenticeships to further increase our capacity and user experience.

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

KPI Performance



Many of the Key Performance Indicators (KPI's) by which we measure the business remain strong or very strong as per the image above. As noted previously, we have experienced a higher-than-normal level of early leavers and non-achievers, those who decide not to participate in the final, End Point Assessment (EPA) phase of the apprenticeship. This impacts directly on our Retention and Achievement KPI metric and is reflected in the amber colour in the image.

The Customer Satisfaction and Impact KPI is also shown in amber. The amber rating that we have awarded the business, signifies the desire and necessary focus within the business, to solicit a greater breadth and depth of feedback from our customer base to continue the drive of continuous improvement and in doing so, deliver on the strategic objective of commitment to excellence and in no way reflects on any deterioration in customer satisfaction or deliverable impact.

Capital Projects

For some time now there has been a realisation that the current IT setup within MGTS is outdated and has inherent fragility particularly around physical equipment. Trustees, the MGTS SLT and the MGTS IT partner have agreed to define a project that will address these concerns for the business. The project will commence during fiscal year 25/26.

The following objectives have been identified and will be factored into the roadmap.

1. Ageing Physical Infrastructure
2. Improve security posture
3. Minimise hardware replacement needs
4. Take advantage of cloud services
5. Improve user experience
6. Review Disaster Recovery/Business Continuity plans
7. Ensure data-integrity and relevance

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

A formal risk and issues log will be created, however in summary, key risks are.

1. Ageing infrastructure
2. Storage Capacity Issues
3. Change in CapEx to OpEx models
4. Budgetary expectations for transformation
5. Data-retention & 'tidy-up' activities
6. BAU workloads (ability to focus on change)
7. Ability to schedule downtime for key migrations
8. Network Infrastructure refresh if applicable
9. Improvement towards removing any perceived single points-of-failure from IT perspective

MGTS has already initiated a project for the next financial year to install solar panels to the roof of the main office building in Coventry. Offsetting rising electricity costs and the opportunity to sell back to the grid any unused power that is generated, coupled with a three and a half to four-year payback period demonstrates a good use of the reserves being reinvested into the business and an example of the charity governance strategic objective to utilise the charity's resources responsibly. The high ROI and savings running into many hundreds of thousands over the 25-year predicted lifetime of the installation further supports the decision taken by the Board. Cutting the MGTS carbon footprint, combating climate change, through the adoption of sustainable power for the business is important and is an actual onsite, real-world example to apprentices, who study renewables as part of their programme at MGTS, whilst undertaking their apprenticeship.

Outdoor Challenge

Apprentices once again participated in outdoor challenge programmes with over 100 undertaking the experience which supports the behaviours element of their apprenticeship in activities that are different to the normal working environment.



MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

Financial review

The financial year resulted in an unrestricted surplus of £191,364, a fall from £469,877 in 2024.

Income

Total unrestricted income of £4.7m was generated in 2024/25, a decrease of 3.6% from the previous year. Apprentice training income represented 75% of income, with commercial activities, reserve movements and investment income making up the balance. Demand for commercial training operations remains robust, and the Trustees made a strategic investment this year to enhance our commercial training facilities with the clear goal of boosting commercial course turnover. This proactive step was designed to strengthen our financial position moving forward. The investment portfolio returned a superior rate of return compared to lower-yielding savings options, despite the volatility of global markets.

Expenditure

Unrestricted expenditure in 2024/25 was £4.56m, £1.04m of this is related to our commercial activities, and the remaining £3.52m was spent supporting our charitable aims.

Funds

Total funds on 31 March 2025 were £4.2m (2024 £4.1m) of which all but £222,025 were unrestricted.

Principal Risks and Uncertainties

Skills England - when it was announced in the King's Speech in July 2024, Number 10 said the aim of Skills England will be to "bring together businesses, providers, unions, mayoral combined authorities (MCAs) and national government to ensure we have the highly trained workforce that England needs." At the same time, it also confirmed that powers from the Institute for Apprenticeships and Technical Education (IfATE) will be transferred to Skills England. As we close this current fiscal year for MGTS it is still not clear what concrete changes will be made to the world of apprenticeships and ultimately how this will affect the business going forward. One of the key topics is the government's intention to reform the system of assessment in apprenticeships, including EPA. Further changes are already being mentioned such as foundation apprenticeships and changes to the off-the-job training policy.

Ofsted – having successfully completed the most recent audit in 2024 with an overall grade of **GOOD**, Ofsted has unveiled a new inspection framework set to be come into force in November 2025, announcing a significant shift aimed at enhancing transparency and fairness in educational assessments. The main Ofsted changes for 2025 include detailed report cards and a revised evaluation system. These updates aim to provide a more nuanced understanding of school performance, ultimately benefiting educators, parents, and stakeholders alike.

Inflation, Growth and Taxation – Government targets to reduce inflation back to the 2% level have gained traction, however they have not yet reached that level from the dizzying heights of the previous Government. The result is that there is still pressure on businesses from a cost of living that continues its steady upward trend. An increase in the most recent budget on National Insurance, also heaps more financial pressure on MGTS through rising employment costs. It is too early to tell whether this will impact employer's appetites for apprentice recruitment in the future. All of this impacts on not only MGTS' plans for growth and expansion but the plans of those customers we serve through our apprenticeship and commercial course offerings.

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

Policies

a) Reserves

The Board of Trustees have assessed the free reserves (unrestricted funds excluding fixed assets, designated funds, and restricted funds) needed to maintain operations if some income-generating activities are temporarily curtailed. This ensures continued support for our charitable mission even amidst potential financial fluctuations.

The Trustees consider that an appropriate level of free reserves on 31 March 2025 would be 6 months of the group's budgeted expenditure amounting to £2.17 million. The actual free reserves on that date stood at £1.29 million, a shortfall of £0.88 million compared to the target. This is effectively addressed by the long-term investment portfolio valued at £0.9 million on 31st March 2025. This demonstrates our commitment to prudent financial management and ensures the availability of resources, even during periods of temporary income reduction. A comprehensive review of the reserves policy is currently underway and will be completed in the next fiscal year.

b) Investments

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The Trustees have determined that the Charities short term investments should be in the form of interest-bearing cash deposits with major banks or financial institutions. Interest rates should be competitive and free of risk to the capital. Longer term investments have been placed with investment managers in two separate portfolios as follows:

Portfolio 1 - is managed in line with The Evelyn Partners Strategy 4 approach to investment risk and is described as being appropriate for an investor who is comfortable with medium volatility of returns, typically having around 55% of their portfolio invested in equities, and who is able to tolerate a loss of up to 15% of the value of their portfolio in any one year. This percentage loss is based on what might be reasonably expected 95% of the time. The projected annualised rate of return over the longer term is the Consumer Price Index (CPI) +2%

Portfolio 2 is a bespoke portfolio designed to match MGTS anticipated liabilities moving forward. As such, the account is invested in a mix of short-dated UK Government bonds (1 month to 2 years, with the majority of the capital invested at the shorter end) allowing growth of the principal whilst permitting realisation of the funds at defined time intervals (if required).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company, limited by guarantee, and has no share capital. It was incorporated on 17 July 1970. Its governing document is its Memorandum and Articles of Association, which were updated on 6th March 2019. The liability of each member in the event of winding up is limited to £20.

Charity number	528785
Company number	984899
Principal Office	Gulson Road, Coventry, CV1 2JG

The principal objects of the charitable company are: "To advance the theoretical and practical education and training of persons engaged or intending to be engaged in engineering general industrial and commercial activities"

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

To allow the charitable company to trade in activities complementary to its objects a subsidiary company 'MGTS Business and Training Services Limited' was incorporated on 22 September 2000. The Charity owns the 1,000 issued shares of £1 each. Taxable profits arising from the subsidiary are Gift Aided to the Charity.

Trustees/ Directors

The Trustees are elected by the Members of the Company and serve for five years before retiring. The Articles of the Company allow for unlimited Trustees/Directors. The Trustees may co-opt to fill casual vacancies arising during the year.

The following were Trustees during the whole of the year under review:

Ms C Bell	Mr D Montgomery
Mr N Foster	Mrs T Reynolds
Mr K Kane	Mr A Watson
Mr G F Lawton	

The following were appointed as Trustees during the year:

Mrs J Mustard – appointed 22 May 2024

The following resigned as Trustees during the year:

Mr S Marson – resigned 14 August 2024

The Trustees of the Charity meet at least 4 times per year. They set budgets for the Charity and monitor its financial performance through detailed quarterly financial reports. Major decisions affecting the Charity's operations are taken by the Trustees.

The Chief Executive, David Bridgens is responsible for implementing the Trustees policies. He reports on a quarterly basis to the Trustees. Additional ad hoc Trustees meetings are called whenever it is felt necessary either by the Trustees or the Chief Executive.

Trustee induction and training

New trustees undergo a series of briefings to inform them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate training events where these will facilitate the understanding of their role.

Key Management Personnel

The following were key management personnel during the year under review: -

Chief Executive Officer	David Bridgens
Director of Delivery and Operations	Steve Palmer
Director of Finance and HR	Ruth Smith
Quality and Compliance Manager	Ruth Plane
Customer Engagement Manager	Adrian Simkiss
Curriculum Manager	Adam Murray

Arrangements for setting pay and remuneration

Trustees do not receive any form of remuneration and give their time freely.

The trustees review pay annually in October for all staff, including key personnel. Consideration is taken of the rate of inflation, and benchmark pay rates within the industry.

<p style="text-align: center;">MIDLAND GROUP TRAINING SERVICES LIMITED TRUSTEES' REPORT 31 March 2025</p>
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Risk management

We confirm that major risks have been reviewed and that systems and procedures have been established to manage those risks.

Government and Agencies

The Government will fully fund apprenticeships in small businesses from 1st April 2024 by paying the full cost of training for anyone up to the age of 21 - reducing costs and burdens for businesses and delivering more opportunities for young people to kick start their careers. This will remove the need for small employers to meet some of the cost of training and saves time and costs for providers like further education colleges who currently need to source funding separately from the government and businesses.

The move is underpinned by an additional £60 million of new government funding for next year, guaranteeing that where there is demand for apprenticeships from businesses, the government will ensure there is enough funding to deliver them. From the start of April, the government will also increase the amount of funding that employers who are paying the apprenticeship levy can pass onto other businesses. Apprenticeships can currently be funded by a levy paying employer transferring up to 25% of their unused levy to a different employer.

IfATE are undertaking a set of exceptional funding band reviews for 20 high-volume apprenticeships in skills shortage occupations and priority sectors. The 20 apprenticeships, which are all at level 2 or 3, were chosen by the DfE, following consultation with provider representative bodies, and taking account of available evidence on the impact of cost inflation on apprenticeships delivery. The reviews are intended to help employers and apprenticeship providers tackle rising costs in priority sectors with skills shortages, including engineering.

ESFA funding rules version 2, of the apprenticeship funding rules, brought key changes, including recognising that 16–18-year-olds starting apprenticeships are unlikely to hold relevant prior learning. Providers must check an individual's prior learning record and discuss their work history for relevant prior learning. Where there is no relevant prior learning and work experience, providers should document this with the employer and no further action is needed. If there is relevant prior learning and work experience, providers can complete the normal skills scan process to determine whether there should be a reduction in price, content and duration.

MIDLAND GROUP TRAINING SERVICES LIMITED
TRUSTEES' REPORT
31 March 2025

Small Companies Exemption

This report is prepared in accordance with special provisions of part 15 of the Companies Act 2006 relating to small companies.

The trustees who are the charitable company's directors are pleased to present their report together with the financial statements of the charitable company for the year ending 31 March 2025.

AUDITORS

A resolution will be put to the forthcoming AGM to reappoint Luckmans Duckett Parker Limited as Auditors for the year ending 31 March 2026.

Statement as to disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

PROFESSIONAL ADVISORS

The Charity is provided with professional services on a commercial basis by:

Luckmans Duckett Parker Limited	-	Audit
Lloyds Bank Plc	-	Banking
Band Hatton Button Solicitors	-	Legal
Loveitts Estate Agents	-	Property
Jensten Group	-	Insurance
Evelyn Partners	-	Investment management

On behalf of the Board



G Lawton
Chairman

Gulson Road
Coventry
CV1 2JG

13th August 2025

<p style="text-align: center;">MIDLAND GROUP TRAINING SERVICES LIMITED DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS 31 March 2025</p>
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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- d. observe the methods and principles in the Charity SORP

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

MIDLAND GROUP TRAINING SERVICES LIMITED
AUDITOR'S REPORT
Independent auditor's report to the members of Midland Group Training Services Limited

Opinion

We have audited the financial statements of Midland Group Training Services Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the parent company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2025 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

<p style="text-align: center;">MIDLAND GROUP TRAINING SERVICES LIMITED AUDITOR'S REPORT Independent auditor's report to the members of Midland Group Training Services Limited</p>

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the parent company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 these irregularities, including fraud is detailed below:

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- reference to past history and experience of the Entity,
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity's procedures relating to:
 - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud.
- assessment of the controls and processes that the Entity has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- Management override of control; and
- Revenue recognition - specifically the recognition according to timing of the provision of training services, and manipulation of revenue through management override of journals.

MIDLAND GROUP TRAINING SERVICES LIMITED
AUDITOR'S REPORT
Independent auditor's report to the members of Midland Group Training Services Limited

We design audit procedures by tailored and directed testing to aid and support the determined level of risk. In response to the assessed risk we plan audit tests and procedures that target specific areas where misstatement may occur. These procedures and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies.
- We tested the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements.
- We reviewed the Entity's accounting policies for non-compliance with relevant standards.
- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

In performing an audit in accordance with UK GAAP, we exercise professional judgement and maintain professional skepticism throughout the audit process.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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 Report of the Independent Auditors.

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.



Mark Spafford FCCA ACA (Senior Statutory Auditor)
for and on behalf of Luckmans Duckett Parker Limited
1110 Elliott Court
Coventry Business Park
Herald Avenue
Coventry
West Midlands
CV5 6UB

Date: 26.7.11 AUGUST 2025

MIDLAND GROUP TRAINING SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income:					
<i>Income from Charitable activities:</i>					
Subscriptions, training, projects, course fees and extra services	4	3,297,492	77,000	3,374,492	3,471,332
<i>Income from other trading activities:</i>					
Commercial trading operations	9	1,248,100	-	1,248,100	1,336,582
Investment income	3	60,750	-	60,750	49,145
Total incoming resources		4,606,342	77,000	4,683,342	4,857,059
Expenditure:					
<i>Costs of raising funds:</i>					
Investment management costs		-	-	-	-
Commercial trading operations	9	1,034,943	-	1,034,943	1,046,210
<i>Expenditure on charitable activities</i>	5	3,403,546	119,684	3,523,230	3,389,958
Total expenditure		4,438,489	119,684	4,558,173	4,436,168
Net income/ (loss) before other recognised gains	6	167,853	(42,684)	125,169	420,891
<i>Other recognised losses</i>					
Change in fair value of pension scheme liability	12	-	-	-	1,367,524
Unrealised gain on investment assets	9	23,511	-	23,511	50,104
Net movement in funds for the year		191,364	(42,684)	148,680	1,838,519
Fund balance brought forward at 1 April 2024		3,816,746	264,709	4,081,455	2,242,936
Fund balance carried forward at 31 March 2025		4,008,110	222,025	4,230,135	4,081,455

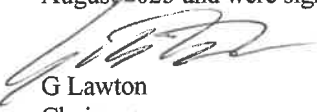
The statement of financial activities includes all gains and losses recognised in the year and in the previous year.
All the company's activities are classed as continuing.

MIDLAND GROUP TRAINING SERVICES LIMITED
BALANCE SHEETS
at 31 March 2025
Company No 984899

		Group		Charity	
	Note	2025	2024	2025	2024
		£	£	£	£
Fixed assets					
Tangible fixed assets	8	2,896,466	2,649,158	2,896,466	2,649,158
Investment in subsidiary undertaking	9	-	-	1,000	1,000
Other investments	9	1,666,036	1,559,302	1,666,036	1,559,302
		<u>4,562,502</u>	<u>4,208,460</u>	<u>4,563,502</u>	<u>4,209,460</u>
Current assets					
Debtors	10	564,986	602,498	346,201	380,663
Short term deposits		793,522	1,169,189	793,522	1,169,189
Bank balance and cash		154,571	68,139	11,914	23,915
		<u>1,513,079</u>	<u>1,839,826</u>	<u>1,151,637</u>	<u>1,573,767</u>
Creditors - amounts falling due within one year	11	(948,332)	(905,339)	(801,726)	(927,105)
Net current assets		<u>564,747</u>	<u>934,487</u>	<u>349,911</u>	<u>646,662</u>
Creditors - amounts falling due after more than one year	11	(897,114)	(1,061,492)	(897,114)	(1,061,492)
Net assets		<u>4,230,135</u>	<u>4,081,455</u>	<u>4,016,299</u>	<u>3,794,630</u>
Funds:					
Restricted funds	13	222,025	264,709	222,025	264,709
Unrestricted funds	13	3,794,274	3,529,921	3,794,274	3,529,921
Non-charitable trading funds	13	213,836	286,825	-	-
		<u>4,230,135</u>	<u>4,081,455</u>	<u>4,016,299</u>	<u>3,794,630</u>
Total funds		<u>4,230,135</u>	<u>4,081,455</u>	<u>4,016,299</u>	<u>3,794,630</u>

The financial statements have been prepared in accordance with special provisions of part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements on pages 14 to 27 were approved by the Board of Directors and authorised for issue on 13th August 2025 and were signed on its behalf by:


G Lawton
Chairman

MIDLAND GROUP TRAINING SERVICES LIMITED
CASH FLOW STATEMENT
for the year ended 31 March 2025

	Note	Group 2025 £	2024 £
Cash flows from operating activities:			
Cash generated from operations	1	315,527	282,374
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		315,527	282,374
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		27,527	39,947
Sale of tangible fixed assets		133,219	27,321
Purchase of tangible fixed assets		(715,508)	(233,677)
Purchase of investments		(50,000)	(1,500,000)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(604,762)	(1,666,409)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(289,235)	(1,384,035)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the reporting period		1,237,328	2,621,363
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		948,093	1,237,328
		<hr/>	<hr/>

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2025

	2025 £	2024 £
Net income for the reporting period (as per the statement of financial activities)	148,680	1,838,519
Adjustments for:		
Depreciation charges	350,361	334,088
Profit on disposal of fixed assets	(15,380)	(2,760)
Investment income retained	(27,527)	(39,947)
Investment income reinvested	(33,223)	(9,198)
Unrealised gain on investment assets	(23,511)	(50,104)
Notional interest on pension liability	9,022	-
Change in fair value of pension scheme liability	-	(1,367,524)
(Increase)/decrease in debtors	37,512	27,578
Increase/(decrease) in creditors	(130,407)	(448,278)
Net cash provided by (used in) operating activities	315,527	282,374

MIDLAND GROUP TRAINING SERVICES LIMITED
ACCOUNTING POLICIES
31 March 2025

1 Accounting Policies

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Accounting changes

The significant accounting policies adopted are described below.

Significant judgements and estimates

The preparation of the financial statements requires management to make significant judgements and estimates that affect the amounts reported within the balance sheet and statement of financial activities. The following are the Company's key sources of estimation uncertainty:

- **Multi- employer defined benefit pension scheme liability**

The schedule of contributions for the multi-employer defined benefit pension scheme is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. The mortality rate is based on publicly available mortality tables for the specific country. Future salary and pension increases are based on expected future inflation rates for the respective country.

The Company has included a liability within the financial statements to reflect its own future funding obligations based upon a discounted cash flow basis. The discount rate used is 0.85%.

In determining the appropriate discount rate, management considers the interest rate of AA corporate bonds denominated in Great British pound sterling, with a bond maturity similar in duration to the defined benefit funding obligation.

Group financial statements

The statement of financial activities (SOFA) and group balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

A separate SOFA and income and expenditure account are not presented for the charity itself following the exemptions afforded by Section 408 of the Companies Act 2006.

Income recognition policy

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Investment income is recognised on a receivable basis.

MIDLAND GROUP TRAINING SERVICES LIMITED
ACCOUNTING POLICIES (continued)
31 March 2025

Resources expended and irrecoverable VAT

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied.

Charitable activities include expenditure associated in the provision of training services and include both the direct costs and support costs relating to these activities.

The charitable company recognises the cost of contractual redundancy payments as being part of the cost of the delivery of charitable activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include the central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., staff costs by the estimated time spent and other costs by their estimated usage.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The company is a registered charity and is exempt from taxation on its charitable activities. The subsidiary company has no tax liability as it donates its taxable profits to the charity under gift aid.

Tangible fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. Assets costing £3,000 or less are not capitalised. Depreciation is charged by instalments at rates estimated to write off the cost of the asset less any residual value over the expected useful lives at the following rates:-

2½% per annum on freehold buildings
4% per annum on freehold building improvements
10% per annum on leasehold building improvements
10% to 25% per annum on equipment and vehicles
33⅓% per annum on computer equipment

On disposal of assets in the ordinary course of business adjustments are made to the depreciation charge to reflect differences between the actual and estimated aggregate depreciation.

Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Pensions – Defined Benefit Scheme

The defined benefit scheme was closed to new contributions on 31st August 2010. In accordance with paragraph 28.11 of FRS102 the company as a participating employer to the scheme, has recognised the present value of its share of the agreed contributions on the balance sheet as a liability on a discounted cash flow basis. MGTS's estimated liability on 31st March 2024 was £1.23m and is recalculated each year, with movements in the liability reflected in the Statement of Financial Activities and the element relating to the unwinding of the discount in interest payable. The Company has renegotiated its recovery plan as a result of the latest actuarial valuation on 31st March 2023.

Further information in relation to an update on the current status of the pension scheme deficit and the most recent valuation can be found in note 12 on page 25.

The Company is liable for its own funding obligations and is also liable for those of the other sponsoring employers, should those sponsoring employers default on their obligations.

Pension costs - Defined Contribution Scheme

The amount charged to the Statement of Financial Activities in respect of pension costs is the contribution payable in the year. Any differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2024

Funds structure

The charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds.

2 Legal status of the Charity

The Charity is a company, limited by guarantee, and has no share capital. It was incorporated on 17 July 1970. Its governing document is its Memorandum and Articles of Association. The liability of each member in the event of winding up is limited to £20.

3 Investment income	2025	2024
	£	£
Interest receivable	27,527	39,947
Investment income receivable	33,223	9,198
	<u>60,750</u>	<u>49,145</u>
4 Income from Charitable Activities		
Training services provided	3,374,492	3,471,332
5 Charitable Activities Costs		
The charity undertakes direct charitable activities and does not make grant payments		
Provision of training services and projects	3,422,569	3,295,785
Support costs – salaries and office costs	104,361	94,173
	<u>3,526,930</u>	<u>3,389,958</u>
Governance costs		
Salaries and office costs	18,270	16,578
Auditors' remuneration		
- Audit	9,450	7,985
- Other services	1,800	1,700
	<u>29,520</u>	<u>26,263</u>

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2025

	2025	2024
6 Net incoming resources		
Net incoming resources are stated after charging/ (crediting):		
Directors' and officers' indemnity insurance	-	-
Depreciation of tangible fixed assets:		
- owned assets	282,741	266,647
- leased assets	67,620	67,440
(Profit)/loss on disposal of tangible fixed assets	(15,380)	(2,760)
Notional interest on pension liability	9,023	-
	<u> </u>	<u> </u>

7 Staff costs	£	£
Wages and salaries	1,959,275	1,805,913
Social security costs	231,479	213,289
Pension costs	153,985	132,397
	<u>2,344,739</u>	<u>2,151,599</u>
	<u> </u>	<u> </u>
Average number of employees	46	45
	<u> </u>	<u> </u>

The number of employees who received emoluments of more than £60,000 in the year was as follows:

£60,001 - £70,000	-	-
£70,001 - £80,000	2	2
£80,001 - £90,000	-	2
£90,000 - £100,000	2	-
£120,000 - £130,000	-	1
£130,000 - £140,000	1	-
	<u> </u>	<u> </u>

Key management personnel

Emoluments	481,496	447,625
Pension contributions to defined contribution scheme	30,232	28,233
	<u>511,728</u>	<u>475,858</u>
	<u> </u>	<u> </u>

The directors do not receive emoluments or expenses.

Pension costs - Defined Benefit Scheme

In addition to the above, the Company made a payment of £170,000 (2024: £192,220) to the multi-employer defined benefit scheme (see note 12 on page 25).

Pension costs - Defined Contribution Scheme

The company provides pensions for current employees, through a defined contribution scheme. The employer contributions for the period were £108,201 (2024 £108,348). The running costs of the scheme are amalgamated with the Defined Benefit scheme and cannot be separately identified. There were no outstanding or prepaid contributions at the balance sheet date.

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2024

8 Tangible fixed assets – group and charity

	Freehold Property £	Leasehold Improvements £	Equipment & vehicles £	Total £
Cost				
1 April 2024	2,283,809	1,254,933	3,015,406	6,554,148
Additions	281,699	4,236	429,573	715,508
Disposals	-	-	(561,383)	(561,383)
31 March 2025	2,565,508	1,259,169	2,883,596	6,708,273
Depreciation				
1 April 2024	994,986	573,183	2,336,821	3,904,990
Charge for year	26,858	67,620	255,883	350,361
Disposals	-	-	(443,544)	(443,544)
31 March 2025	1,021,844	640,803	2,149,160	3,811,807
Net book value				
31 March 2025	1,543,664	618,366	734,436	2,896,466
31 March 2024	1,288,823	681,750	678,585	2,649,158

On 30th June 2021 the Company granted in favour of the Trustees of the EEF Staff Pension Fund an uncapped charge over the freehold property at Gulson Road, Coventry, included in the balance sheet at £1.2m.

9 Investments	2025	2024
	£	£
Mid-market value at:		
1 April 2024	1,559,302	-
Invested	50,000	1,500,000
Income reinvested	33,223	9,198
Unrealised gain on investments	23,511	50,104
31 March 2025	1,666,036	1,559,302

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2025

9	Fixed asset investment	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
	Shares in subsidiary undertaking	-	-	1,000	1,000

Subsidiary undertaking

MGTS Business and Training Services Limited which was incorporated in England on 22 September 2000 pays all its taxable profits to the charity by Gift Aid. MGTS Business and Training Services Limited operates as an executive arm of the charity. The charity owns the entire issued share capital of 1,000 ordinary shares of £1 each. A summary of the trading results is shown below.

Summary of profit and loss account

	2025 £	2024 £
Turnover	1,248,100	1,336,582
Interest receivable	679	153
Cost of sales and administrative expenses	(1,030,993)	(1,046,210)
Governance costs	(3,950)	(3,700)
Net profit	213,836	286,825
Retained profit brought forward	286,825	231,582
Amount gifted to the charity	(286,825)	(231,582)
Retained in the subsidiary	213,836	286,825

The assets and liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	659,598	666,948
Creditors: amounts falling due within one year	(444,762)	(379,123)
Net assets	214,836	287,825
Aggregate share capital and reserves	214,836	287,825

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2025

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
10 Debtors				
Amounts falling due within one year				
Trade debtors	426,663	438,088	213,751	235,874
Prepayments	123,459	160,711	117,586	141,090
Accrued income	14,864	3,699	14,864	3,699
	<u>564,986</u>	<u>602,498</u>	<u>346,201</u>	<u>380,663</u>
11 Creditors				
Amounts falling due within one year:				
Trade creditors	571,045	520,849	163,453	190,357
Taxation and social security payable	129,444	134,932	103,179	98,092
Accruals	74,443	79,558	63,538	67,768
Pension deficit liability	173,400	170,000	173,400	170,000
Amount due to subsidiary undertaking	-	-	298,156	400,888
	<u>948,332</u>	<u>905,339</u>	<u>801,726</u>	<u>927,105</u>
Amounts falling due after one year:				
Pension deficit liability	897,114	1,061,492	897,114	1,061,492

Included within trade creditors is deferred income of £372,164 (2024 £285,192). These amounts are deferred because the income relates to future periods.

Deferred income at 1 April 2024	285,192
Used in year	(283,247)
Deferred in year	<u>370,219</u>
Deferred income at 31 March 2025	<u>372,164</u>

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2024

12 Pensions

The Company provides pensions for its employees through participation in the Engineering Employers' Federation Staff Pension Fund (the Fund), which is governed by a Trustee Board and maintained independently of the Company's finances for defined benefit members. There is a separate Master Trust for defined contribution members, which is also operated independently of the Company. The Fund was established to enable a number of autonomous but related employers to operate a scheme through the sharing of risk within a wider membership base. As such it is not possible for an underlying employer to identify its share of the underlying assets and liabilities. For multi-employer schemes where this is the case, paragraph 28.40A of FRS102 requires that Midland Group Training Services Limited account for its share of the present value of the agreed pension contributions payable to the scheme and where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit to the Company.

2023 Valuation

At the date of the last completed valuation of the fund (31st March 2023), the market value of the Fund's assets amounted to £143m. The valuation was carried out by an independent qualified actuary adopting a market-based approach using the projected unit method and the following main assumptions:

Single equivalent average rates (in practise term-dependent curves are used)	% per Annum
Rate of investment return (initial portfolio)	5.1
Rate of investment return (long term portfolio)	4.3
Rate of price inflation	3.6 (RPI)
Rate of increase in salaries	n/a
Rate of pension increases:	
RPI up to 5%	3.5
RPI up to 5%: minimum 3%	3.8
CPI up to 5%	3.1
CPI up to 2.5%	2.1

As at the valuation date these assets were insufficient, on the assumptions adopted, to meet the cost of the Fund's accrued liabilities. The Fund had a deficit of £19m on an ongoing funding basis.

The split between participating employers was re-evaluated on 31st March 2023 based on updated assumptions, resulting in the proportion attributed to MGTS's members decreasing to £1.3m (6.7%) 2020: 8.3%.

Subsequently, participating employers agreed contribution schedules with the Trustee that are expected to be sufficient to eliminate their share of the revised deficit over a period acceptable to the Trustee. Under this agreement Midland Group Training Services Limited is liable to make the following contributions in respect of its share of the deficit in the defined benefits section:

Amount	Dates	Frequency
£192,220	Payable on 1st April 2023.	One off
£170,000 pa	Payable from 1st April 2024 to 31st March 2031 inclusive. This will be increased by 2% each year.	Annually

In addition, the Company has granted an uncapped charge to the Trustee of the Fund, over the freehold property at Gulson Road, Coventry included in the Balance Sheet at 31st March 2025 at £1.2m (see note 8 page 22). It should be noted that the defined benefit scheme was closed to all future accruals during 2010.

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2025

13 Movement in funds

	1 April 2024	Incoming resources and gains	Resources expended and losses	Gift Aid	31 March 2025
	£	£	£	£	£
Restricted funds					
- 24+ Loan Fund	2,000	-	-		2,000
- Employer Incentives	3,500	77,000	(71,000)		9,500
- LEP Funding	259,209	-	(48,684)		210,525
Unrestricted funds	3,529,921	3,381,074	(3,403,546)	286,825	3,794,274
Non-charitable trading funds	286,825	1,248,779	(1,034,943)	(286,825)	213,836
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,081,455	4,706,853	(4,558,173)	-	4,230,135
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

24+ Advanced Learning Loan Fund

These are funds made available to be loaned to eligible learners. These loans will help learners aged 24 or above pay the fees charged by colleges and training providers for courses at Level 3 and Level 4, or Advanced and Higher Apprenticeships.

Employer Incentives

The Education and Skills Funding Agency has made a number of incentive payments available to employers taking on an apprentice aged 16-18. These incentives payments are paid to the training provider at set points during the training and must be paid out to the employer.

LEP Funding

MGTS has invested in a new Advanced Engineering and Manufacturing Centre in Redditch, Worcestershire. Our £875,000 investment was matched by funding of £700,000 from the Worcestershire and Birmingham Local Enterprise Partnerships. The funding will be released over the life of the assets.

MIDLAND GROUP TRAINING SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS
31 March 2025

14 Analysis of net assets between funds

	Unrestricted £	Non-charitable trading funds £	Restricted £	Total £
Intangible fixed assets	1,666,036	-	-	1,666,036
Tangible fixed assets	2,685,941	-	210,525	2,896,466
Current assets	842,981	658,598	11,500	1,513,079
Current liabilities	(503,570)	(444,762)	-	(948,332)
Long term liabilities	(897,114)	-	-	(897,114)
	<u>3,794,274</u>	<u>213,836</u>	<u>222,025</u>	<u>4,230,135</u>

15 Operating lease commitments

The following operating lease payments are committed to be paid:

	2025	2024
	£	£
Within one year	110,430	108,062
Between two and five years	397,243	388,267
In more than five years	366,325	446,917
	<u>873,998</u>	<u>943,246</u>

16 Capital Commitments

The charitable company had capital commitments of £65,809 at the year-end (2024 £nil).

17 Related Party Transactions

There were no related party transactions during the year (2024 £nil).