

# DERWENT TRAINING ASSOCIATION

England & Wales · Charity number 700763

## Details

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Other names	NORTH YORKSHIRE TRAINING SERVICES, DERWENT TRAINING ASSOCIATION
Status	Registered
Legal form	Charitable company
Company number	<a href="#">02262730</a>
Registered	1988-10-24
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Derwent Training Association Hertford Way York Road Business Park Malton YO17 6YG
Phone	01653600421
Email	<a href="mailto:claire.gavaghan@derwenttraining.co.uk">claire.gavaghan@derwenttraining.co.uk</a>
Website	<a href="http://www.derwenttraining.co.uk">www.derwenttraining.co.uk</a>

## Activities

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**Objects:** A) TO PROMOTE AND ADVANCE ADEQUATE TRAINING OF PERSONS EMPLOYED OR INTENDING TO BE EMPLOYED IN INDUSTRY AND COMMERCE AND, B) SUBJECT TO ARTILE 4.1(A) TO EXTEND SUCH TRAINING TO MEMBERS OF THE PUBLIC GENERALLY.

**Activities:** Delivery of Apprenticeship training in advanced engineering and other related training courses to young people and adults.

## Classification

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- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

## Geography

- **Area of benefit:** NORTH YORKSHIRE
- City Of York
- North Yorkshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£1,070,313	£1,035,988	£969,423	13
2024-07-31	£941,344	£900,653	£935,098	11
2023-07-31	£944,811	£866,234	£894,407	11
2022-07-31	£759,875	£685,064	£815,830	11
2021-07-31	£702,634	£624,712	£741,019	12

## Trustees

Name	Role	Appointed
Ann Watson		2019-07-30
DANNY MACFARLANE		2017-06-22
Lucy Alison Thompson		2021-11-30
RICHARD ARMITAGE SHAW		2011-11-08
Sarah Edwards		2020-11-04

**DERWENT TRAINING ASSOCIATION**

England & Wales - Charity number 700763

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# Accounts

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REGISTERED COMPANY NUMBER: 02262730 (England and Wales)  
REGISTERED CHARITY NUMBER: 700763

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025  
FOR  
DERWENT TRAINING ASSOCIATION**

**DERWENT TRAINING ASSOCIATION**  
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**For The Year Ended 31 July 2025**

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# DERWENT TRAINING ASSOCIATION

## REPORT OF THE TRUSTEES For The Year Ended 31 July 2025

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2025. The trustees have adopted the provisions of 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

#### Objectives and aims

The purpose of the charity is to provide education and skills training for employers and their employees. Standalone training is also available for individuals who wish to update their skills.

The objectives of the charity are to:

- The charity successfully remains on the Apprenticeship Provider and Assessment Register (APAR) and has achieved its objective of contracting directly with both levy and non-levy paying employers to deliver training.
- Achieve above national achievement rates.
- Remain 'good' in Ofsted inspection.
- Maintain the Matrix Quality Standard.
- Continue to improve the quality of service and provision by teamwork and partnership working.
- Increase the number of people accessing training via apprenticeships.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into Apprenticeships.
- Derwent Training continues to provide training for individuals from underrepresented groups; however, this is contingent upon the hiring practices of our client base.
- Maintain a presence at careers events and networking events with both employers and potential apprenticeship candidates. Derwent Training attends such events to promote its training offer.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas.

#### Public benefit

The charity Trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the objectives listed above and the significant achievements explained in detail later in the report.

# DERWENT TRAINING ASSOCIATION

## REPORT OF THE TRUSTEES For The Year Ended 31 July 2025

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### ACHIEVEMENTS AND PERFORMANCE

#### Charitable activities

Derwent Training Association (Derwent Training) has successfully delivered on its charitable objectives during the year, whilst returning a profit which will enable future investment in its facilities.

Derwent Training Association was graded 'good' in its last Ofsted inspection (March 2022). It maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson, and obtained Cyber Essentials accreditation.

The achievement rate is currently 74% with in-year retention rate of 95%. Both are above the national average. This is achieved through a cycle of quality assurance and improvement both internally and by external agencies.

Apprenticeships are offered from levels 2 to 5. The curriculum offered expanded during the year. Eighty employers placed apprentices with Derwent Training. Employers are encouraged to recruit and/or place current employees onto apprenticeships for all backgrounds, however ultimately the decision lies with the employer.

Derwent Training successfully participated in a continuous improvement review for the Matrix Standard during this financial year. Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. We maintain a balance of transparency and integrity by being forthright with employers regarding our delivery capabilities within a defined timeframe, and where appropriate, we provide guidance to alternative providers for services outside our scope. Derwent Training has a presence at regional careers and networking events to promote the value and benefit of using apprenticeships to train a pipeline of talent in the area.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have retired or moved to other careers opportunities.

### FINANCIAL REVIEW

#### Principal funding sources

Income was generated through a direct contract with the Department of Education (DfE). A loss of the DfE contract would be a risk to the business, however this is adjudged to be low risk given the performance of the Charity.

**REPORT OF THE TRUSTEES**  
**For The Year Ended 31 July 2025**

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**FINANCIAL REVIEW**

**Reserves policy**

Trustees have examined the charity's requirements for reserves in light of the main risk to the organisation. The Charity holds reserves to ensure

- Long term stability and financial security including meeting working capital requirements and long-term commitments.
- There is provision for non-recurring projects and investment to improve the public benefit offered by the Charity.
- Support the Charity to continue activities in periods of less favourable funding due to external or other economic factors, such as a downturn in the sectors where the clients are based.

Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year.

Trustees report the level of free reserves, (that is those funds that are freely available), bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation. The policy is being met.

At 31 July 2025, the charity held reserves of £969,423 (2024: £935,098), all of which was unrestricted. The level of free reserves, that is unrestricted funds less those held in tangible fixed assets, was £193,690 (2024: £195,395).

**Going concern**

Derwent Training is a well-run Charity with a with a strong executive leadership team. The executive team is supported by an appropriately skilled and engaged non-executive Board who provide regular oversight. The organisation has significant cash reserves.

The primary risks to the charity are shifts in government policy regarding funding and broader economic changes, both domestic and international, that could lead to a reduction in apprenticeship opportunities.

Based on this robust governance and forecasting model, the Board is highly confident that the company will remain a going concern for at least a minimum of 12 months from the date of this assessment.

This confidence is substantially reinforced by our core business model:

- The majority of our apprentices are enrolled on programmes lasting 3.5 years.
- Funding is drawn down monthly based on this enrolment profile, allowing us to accurately predict at least two-thirds of our income for the 12 to 24-month period ahead.

This long-term, profiled income visibility provides management with the necessary lead time to implement proactive and timely expenditure adjustments to ensure the company remains a going concern well beyond the statutory 12-month requirement.

**REPORT OF THE TRUSTEES  
For The Year Ended 31 July 2025**

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**FUTURE PLANS**

The regional environment:

The North Yorkshire County Council Plan 2024-28 identifies key challenges in developing an appropriately qualified workforce and establishing clear post-education pathways through apprenticeships, training, work placements, and further education. This aligns with the Government's Industrial Strategy and supporting Sector Plans.

Additionally, there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity. Derwent Training offers Apprenticeships leadership and management, customer services and engineering as well as full cost courses and online training that is a simple yet effective approach to employee development to ensure teams are upskilled. In this way Derwent Training supports developments at a regional and national level to ensure the workforce meets the social and economic need of the country.

The York, North Yorkshire, East Riding and Hull Area Review (2019) identified that the lack of large employers within the region remains a challenge and there is limited take up of Apprenticeships by businesses. New Apprenticeship starts nationally decreased pre-pandemic though there is a slight uptick in overall starts in 2023-24. Some providers struggle to provide a viable offer therefore it is essential Derwent Training ensures that Apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education.

The lack of higher level Apprenticeships standards in the Government priority areas contained in the Modern Industrial Strategy, such as in engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to supporting the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable. There remains a lack of investment in leadership training in York & North Yorkshire and Derwent Training has to address the identified need.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and nationally to create opportunities through working in partnership with other providers and employers.

Derwent Training continues to work towards securing continued funding for Apprenticeship delivery through new partnership arrangements wherever possible.

The charity recognises both the challenges and opportunities that arise from the change in government and seeks to harness the prospects and mitigate the risks associated with both.

The charity has identified the leadership and management curriculum as an area for development and has recruited a delivery team and is marketing the curriculum to all sectors of industry in the region, with ambitious plans to expand delivery.

Consequently, the charity has set a realistic budget, with tight management maintained around expenditure, that is focused on supporting learner achievement within truthful income figures. Derwent Training provides year-round enrolment opportunities to align with employers' growth strategies.

**REPORT OF THE TRUSTEES**  
**For The Year Ended 31 July 2025**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

Derwent Training cooperates with the Department of Education (DfE) in its pursuit of the charitable objectives. It fulfils all requirements of the DfE in order to continue to deliver Apprenticeships.

**Recruitment and appointment of new trustees**

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire. Retiring trustees can choose to stand again as a trustee at the AGM and are elected by the Board at that meeting. New potential trustees are approached by the Chair when there is an opportunity to replace a retiring trustee or when a skills gap is identified on the Board. The Chair conducts interviews with applicants, and the Board votes to elect a new member.

**Organisational structure**

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for strategic and operational matters including finance, employment, and other related activities.

**Induction and training of new trustees**

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and DfE contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

**Key management remuneration**

The Trustees consider that the Board along with the Senior Leadership Team comprise the key management personnel of the charity and are in charge of directing, controlling, and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

02262730 (England and Wales)

**Registered Charity number**

700763

**Registered office**

Hertford Way  
York Road Industrial Park  
Malton  
North Yorkshire  
YO17 6YG

**REPORT OF THE TRUSTEES**  
**For The Year Ended 31 July 2025**

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**Trustees**

Mr R A Shaw Chair  
Mr D MacFarlane Company Director  
Ms A Watson Director  
Ms S Edwards Director  
Ms L A Thompson Hr Director

**Auditors**

Fortus Audit LLP  
Equinox House  
Clifton Park, Shipton Road  
York  
Yorkshire  
YO30 5PA

**Bankers**

Santander UK  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

**Chief Executive Officer**

C E Gavaghan

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 trustees are required to

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

The trustees 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES  
For The Year Ended 31 July 2025

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**AUDITORS**

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on .....06/02/2026..... and signed on its behalf by:



.....  
Mr R A Shaw - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**Opinion**

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 July 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**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 charitable 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 charitable 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.

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2016) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquires through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understandings, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**Use of our report**

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

*J Godden*

Jacqueline Godden FCCA (Senior Statutory Auditor)  
for and on behalf of Fortus Audit LLP  
Equinox House  
Clifton Park, Shipton Road  
York  
Yorkshire  
YO30 5PA

Date: ..... 06/02/2026 .....

DERWENT TRAINING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
For The Year Ended 31 July 2025

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Education and training	3	1,053,022	-	1,053,022	921,301
Investment income	2	16,726	-	16,726	20,043
Other income		565	-	565	-
<b>Total</b>		<u>1,070,313</u>	<u>-</u>	<u>1,070,313</u>	<u>941,344</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Education and training	4	1,035,988	-	1,035,988	900,653
<b>NET INCOME</b>		34,325	-	34,325	40,691
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		935,098	-	935,098	894,407
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>969,423</u></u>	<u><u>-</u></u>	<u><u>969,423</u></u>	<u><u>935,098</u></u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

**BALANCE SHEET**  
**31 July 2025**

	Notes	2025 £	2024 £
<b>FIXED ASSETS</b>			
Tangible assets	11	775,732	739,703
<b>CURRENT ASSETS</b>			
Debtors	12	131,272	109,781
Cash at bank and in hand		337,495	411,675
		<u>468,767</u>	<u>521,456</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(77,774)	(89,430)
		<u>390,993</u>	<u>432,026</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,166,725</u>	<u>1,171,729</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(197,302)	(236,631)
		<u>969,423</u>	<u>935,098</u>
<b>NET ASSETS</b>			
		<u>969,423</u>	<u>935,098</u>
<b>FUNDS</b>			
Unrestricted funds	19	969,423	935,098
		<u>969,423</u>	<u>935,098</u>
<b>TOTAL FUNDS</b>			
		<u>969,423</u>	<u>935,098</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 06/02/2026 and were signed on its behalf by:



Mr R A Shaw - Trustee

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**CASH FLOW STATEMENT  
For The Year Ended 31 July 2025**

	Notes	2025 £	2024 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	29,110	83,069
Interest paid		(19,477)	(27,661)
		<u>9,633</u>	<u>55,408</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(76,797)	(41,936)
Interest received		16,726	20,043
		<u>(60,071)</u>	<u>(21,893)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(23,742)	(13,072)
		<u>(23,742)</u>	<u>(13,072)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		(74,180)	20,443
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>411,675</u>	<u>391,232</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>337,495</u></u>	<u><u>411,675</u></u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 July 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	2025	2024	
	£	£	
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	34,325	40,691	
<b>Adjustments for:</b>			
Depreciation charges	40,768	31,740	
Interest received	(16,726)	(20,043)	
Interest paid	19,477	27,661	
Increase in debtors	(21,491)	(10,085)	
(Decrease)/increase in creditors	(27,243)	13,105	
<b>Net cash provided by operations</b>	<u>29,110</u>	<u>83,069</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.8.24	Cash flow	At 31.7.25
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	411,675	(74,180)	337,495
	<u>411,675</u>	<u>(74,180)</u>	<u>337,495</u>
<b>Debt</b>			
Debts falling due within 1 year	(13,591)	(1,996)	(15,587)
Debts falling due after 1 year	(236,631)	39,329	(197,302)
	<u>(250,222)</u>	<u>37,333</u>	<u>(212,889)</u>
<b>Total</b>	<u>161,453</u>	<u>(36,847)</u>	<u>124,606</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
For The Year Ended 31 July 2025

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**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

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

**Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

These costs have been allocated to expenditure on charitable activities.

**Tangible fixed assets**

Tangible Fixed Assets are stated at cost or valuation less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off the cost or valuation of each asset over its estimated useful life

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

**Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2025

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the statement of financial activities.

**Interest-bearing loans**

Interest-bearing loans are measured initially at fair value less attributable transaction costs. Subsequently to initial recognition, loans are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of financial activities, together with any interest and fees payable, using the effective interest method.

**Cash at bank and in hand**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**Staff costs**

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

2. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	16,726	20,043
	<u>16,726</u>	<u>20,043</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2025**

**3. INCOME FROM CHARITABLE ACTIVITIES**

		2025	2024
	Activity	£	£
Training fees	Education and training	1,045,359	912,964
Employer contributions	Education and training	7,247	8,172
Miscellaneous income	Education and training	416	165
		<u>1,053,022</u>	<u>921,301</u>

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 5)	Support costs (see note 6)	Totals
	£	£	£
Education and training	<u>931,870</u>	<u>104,118</u>	<u>1,035,988</u>

**5. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2025	2024
	£	£
Staff costs	571,599	471,710
Water rates	806	491
Insurance	12,869	11,568
Light and heat	23,828	23,026
Telephone	6,066	6,150
Stationery, printing and postage	12,425	10,416
Sundries	5,088	4,621
Workshop tools, consumables and training materials	21,160	44,052
Registration fees	54,565	59,498
Equipment leasing	12,386	5,446
Motor vehicle leasing	4,017	3,986
Repairs and renewals	20,608	17,867
Computer expenses	37,726	42,514
Professional fees	28,480	3,031
Staff training	36,523	31,992
Staff recruitment	61,937	42,957
Licences and subscriptions	7,353	7,731
Clothing costs	555	624
Cleaning expenses	13,879	10,561
	<u>931,870</u>	<u>798,241</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2025**

**6. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
Education and training	<u>54,720</u>	<u>40,767</u>	<u>8,631</u>	<u>104,118</u>

Support costs, included in the above, are as follows:

	2025 Education and training £	2024 Total activities £
Travelling expenses	9,200	7,445
Advertising	26,043	18,217
Professional fees	-	8,759
Interest payable and similar charges	19,477	27,744
Depreciation of tangible fixed assets	40,767	31,739
Auditors' remuneration	7,380	6,960
Auditors' remuneration for non audit work	<u>1,251</u>	<u>1,548</u>
	<u>104,118</u>	<u>102,412</u>

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Auditors' remuneration	7,380	6,960
Auditors' remuneration for non audit work	1,251	1,548
Depreciation - owned assets	40,768	31,737
Surplus on disposal of fixed assets	<u>(565)</u>	<u>-</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2025 nor for the year ended 31 July 2024.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 July 2025 nor for the year ended 31 July 2024.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2025

9. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	455,358	395,699
Social security costs	51,845	35,245
Sub contractors	53,663	18,927
Other pension costs	10,733	10,303
	<u>571,599</u>	<u>460,174</u>

Termination benefits of £5,218.73 were paid during the year (2024: £NIL). All termination payments were limited to those required under contractual obligations.

The average monthly number of employees during the year was as follows:

	2025	2024
Charitable activities	<u>13</u>	<u>11</u>

The number of employees whose employee benefits (including employer national insurance contributions, but excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	<u>1</u>	<u>1</u>

The cost of key management personnel for the year was £169,099 (2024 - £153,689).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Education and training	921,301	-	921,301
Investment income	<u>20,043</u>	<u>-</u>	<u>20,043</u>
<b>Total</b>	<u>941,344</u>	<u>-</u>	<u>941,344</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Education and training	<u>900,653</u>	<u>-</u>	<u>900,653</u>
<b>NET INCOME</b>	40,691	-	40,691
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>894,407</u>	<u>-</u>	<u>894,407</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>935,098</u>	<u>-</u>	<u>935,098</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2025

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2024	745,000	491,240	144,242	205,745	1,586,227
Additions	18,864	20,059	17,610	20,264	76,797
At 31 July 2025	<u>763,864</u>	<u>511,299</u>	<u>161,852</u>	<u>226,009</u>	<u>1,663,024</u>
<b>DEPRECIATION</b>					
At 1 August 2024	119,200	411,337	119,297	196,690	846,524
Charge for year	15,089	12,718	4,598	8,363	40,768
At 31 July 2025	<u>134,289</u>	<u>424,055</u>	<u>123,895</u>	<u>205,053</u>	<u>887,292</u>
<b>NET BOOK VALUE</b>					
At 31 July 2025	<u>629,575</u>	<u>87,244</u>	<u>37,957</u>	<u>20,956</u>	<u>775,732</u>
At 31 July 2024	<u>625,800</u>	<u>79,903</u>	<u>24,945</u>	<u>9,055</u>	<u>739,703</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	69,969	59,089
Prepayments	61,303	50,692
	<u>131,272</u>	<u>109,781</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Bank loans (see note 15)	15,587	13,591
Trade creditors	38,208	44,484
Social security and other taxes	13,211	9,428
Other creditors	206	2,590
Accruals and deferred income	10,562	19,337
	<u>77,774</u>	<u>89,430</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2025**

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<b>14.</b>	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	2025	2024
		£	£
	Bank loans (see note 15)	197,302	236,631
		<u>          </u>	<u>          </u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>15,587</u>	<u>13,591</u>
Amounts falling between one and two years:		
Bank loan	<u>7,748</u>	<u>14,301</u>
Amounts falling due between two and five years:		
Bank loan	<u>18,407</u>	<u>15,844</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	171,147	206,486

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Within one year	24,195	20,269
Between one and five years	46,656	45,046
In more than five years	-	65,315
	<u>70,851</u>	<u>130,630</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2025	2024
	£	£
Bank loans	<u>212,889</u>	<u>250,222</u>

The bank facilities are secured by a legal charge on the company's land and buildings.

The bank facilities are secured by a legal charge on the company's land and buildings. A bank loan amounting to £199,818 is repayable by instalments ending August 2044 and attracts interest of 3.5% over the Bank of England base rate.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2025

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
Fixed assets	775,732	-	775,732	739,703
Current assets	468,767	-	468,767	521,456
Current liabilities	(77,774)	-	(77,774)	(89,430)
Long term liabilities	(197,302)	-	(197,302)	(236,631)
	<u>969,423</u>	<u>-</u>	<u>969,423</u>	<u>935,098</u>

19. MOVEMENT IN FUNDS

	At 1.8.24 £	Net movement in funds £	At 31.7.25 £
<b>Unrestricted funds</b>			
General fund	935,098	34,325	969,423
<b>TOTAL FUNDS</b>	<u>935,098</u>	<u>34,325</u>	<u>969,423</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,070,313	(1,035,988)	34,325
<b>TOTAL FUNDS</b>	<u>1,070,313</u>	<u>(1,035,988)</u>	<u>34,325</u>

Comparatives for movement in funds

	At 1.8.23 £	Net movement in funds £	At 31.7.24 £
<b>Unrestricted funds</b>			
General fund	894,407	40,691	935,098
<b>TOTAL FUNDS</b>	<u>894,407</u>	<u>40,691</u>	<u>935,098</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2025

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	941,344	(900,653)	40,691
<b>TOTAL FUNDS</b>	<u>941,344</u>	<u>(900,653)</u>	<u>40,691</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.23 £	Net movement in funds £	At 31.7.25 £
<b>Unrestricted funds</b>			
General fund	894,407	75,016	969,423
<b>TOTAL FUNDS</b>	<u>894,407</u>	<u>75,016</u>	<u>969,423</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,011,657	(1,936,641)	75,016
<b>TOTAL FUNDS</b>	<u>2,011,657</u>	<u>(1,936,641)</u>	<u>75,016</u>

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £10,733 (2024 £10,303).

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2025**

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**21. RELATED PARTY DISCLOSURES**

There were related party transactions for the year ended 31 July 2025. Derwent Training Association had transactions during the year with related parties in which members of the Board of Trustees hold official positions as noted below:

Trustee	Position	Organisation	Sales/ Purchases in the year
Richard Shaw	Directors	Ellis Patent Holdings Ltd	Sales: £277
Danny Macfarlane			Year-end balance: £0
		Excellence, Achievement & Learning	
Ann Watson	Directors	Limited	Purchases: £42,038
			Year-end balance: £53

There were no related party transactions for the year ended 31 July 2024.

**22. COMPANY STATUS**

The charity is a private company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.

**DERWENT TRAINING ASSOCIATION**

England & Wales - Charity number 700763

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# Accounts

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REGISTERED COMPANY NUMBER: 02262730 (England and Wales)  
REGISTERED CHARITY NUMBER: 700763

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2024  
FOR  
DERWENT TRAINING ASSOCIATION

**DERWENT TRAINING ASSOCIATION**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 July 2024**

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## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2024

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2024. The trustees have adopted the provisions of 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**

##### **Objectives and aims**

The purpose of the charity is to provide education and skills training for employers and their employees. Standalone training is also available for individuals who wish to update their skills.

The objectives of the charity are to:

- Remain on the Apprenticeship Provider and Assessment Register (APAR) and contract directly with both levy and non-levy paying employers in order to deliver training. This has been achieved.
- Achieve above national achievement rates. This has been achieved.
- Remain 'good' in Ofsted inspection. This was obtained in March 2022.
- Maintain the Matrix Quality Standard. Re-accreditation was achieved in 2023.
- Continue to improve the quality of service and provision by teamwork and partnership working. Continuous improvement achieved with clients reporting a 95% satisfaction rate with Derwent Training.
- Increase the number of people accessing training via apprenticeships.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into Apprenticeships. This is ongoing as the engineering industry itself has some way still to go in achieving equal representation. Derwent Training continues to train individuals from underrepresented groups but it is solely reliant on who the clients employ.
- Maintain a presence at careers events and other training awareness events with both employers and potential apprenticeship candidates. Derwent Training attends such events to promote its training offer.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market. Depending on the clients' needs Derwent Training does adapt delivery to support employers.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas. Full cost courses are offered to support the needs of clients.

##### **Public benefit**

The charity Trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the aims and objectives listed above and the significant achievements explained in detail later in the report.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2024

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

Derwent Training Association (Derwent Training) has successfully delivered on its charitable objectives during the year, whilst returning a profit which will enable future investment in its facilities.

Derwent Training Association was graded 'good' in its last Ofsted inspection (March 2022). They maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson, and obtained Cyber Essentials accreditation. The subcontract with Maritime and Engineering College has ended.

Apprenticeships are offered at levels 3 and 4. New enrolments surpassed the target set in 2023-24. Eighty employers placed apprentices with Derwent Training. Commercial courses were also delivered with the income target surpassed for the year in this income stream.

Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. There is a delicate balance to be had in being honest with employers about what Derwent Training can deliver in a set timeframe and signposting employers to other providers for aspects outside of the scope of Derwent Training. Integrity remains important in working with employers.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have taken up new opportunities elsewhere.

#### FINANCIAL REVIEW

##### Principal funding sources

Income was generated through a direct contract with the Education and Skills Funding Agency (ESFA) and a subcontracting arrangement with Maritime and Engineering College. The latter has ended and has no discernible impact on income. A loss of the ESFA contract would be a risk to the business, however this is adjudged to be low risk given the performance of the Charity.

##### Reserves policy

Trustees have examined the charity's requirements for reserves in light of the main risk to the organisation. The Charity holds reserves to ensure

- Long term stability and financial security including meeting working capital requirements and long-term commitments.
- There is provision for non-recurring projects and investment to improve the public benefit offered by the Charity.
- Support the Charity to continue activities in periods of less favourable funding due to external or other economic factors, such as a downturn in the sectors where the clients are based.

Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year.

Trustees report the level of free reserves, (that is those funds that are freely available), bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation. The policy is being met.

At 31 July 2024, the charity held reserves of £935,098 (2023: £894,407), all of which was unrestricted. The level of free reserves, that is unrestricted funds less those held in tangible fixed assets, was £195,395 (2023: £164,903).

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2024

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#### FINANCIAL REVIEW

##### Going concern

Derwent Training is a well-run Charity with a strong management team led by a competent CEO. The executive team is supported by an appropriately skilled and engaged non-executive Board who provide regular oversight. The organisation has significant cash reserves.

The principal risks to the charity are changes to the source of funding due to changes in Government policy and economic change resulting in a significant reduction in the number of Apprenticeships being offered by local businesses leading to a reduction in the training requirements in the area.

Because Engineering Apprenticeships are undertaken over a four-year period and remain the bulk of the charity's activity, changes to Government Policy would only occur after significant notice, and because the entity has significant cash reserves, the Directors cannot foresee circumstances that would change the Charity's Going Concern basis within the next twelve months.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2024

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#### FUTURE PLANS

The regional environment:

The North Yorkshire County Council Plan 2024-2028 identifies as key challenges the development of an appropriately qualified workforce and ensuring that there are clear pathways for all people after education through the promotion of apprenticeships, training, work placements and further education including adult education.

Additionally, there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity. Derwent Training offers not only Apprenticeships in engineering but also in leadership and management as well as full cost courses and online training that is a simple yet effective approach to employee development to ensure teams are upskilled. In this way Derwent Training supports developments at a regional and national level to ensure the workforce meets the social and economic need of the country.

The York, North Yorkshire, East Riding and Hull Area Review (2019) identified that the lack of large employers within the region is a challenge and there is limited take up of Apprenticeships by micro-business. New Apprenticeship starts nationally decreased pre-pandemic though there is a slight uptick in overall starts in 2023-24. Some providers struggle to provide a viable offer therefore it is essential to ensure that Apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education.

The lack of higher level Apprenticeships standards in the Government priority areas contained in the Modern Industrial Strategy, such as in engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to supporting the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable. There remains a lack of investment in leadership training in York & North Yorkshire and Derwent Training has committed to expanding its delivery in both the engineering as well as the leadership and management curriculum area during the coming year.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and nationally to create opportunities through working in partnership with other providers and employers.

Derwent Training will work towards securing continued funding for Apprenticeship delivery through new partnership arrangements wherever possible.

The charity recognises both the challenges and opportunities that arise from the change in government and seeks to harness the prospects and mitigate the risks associated with both.

The charity has identified the leadership and management curriculum as an area for development and has recruited a delivery team and is marketing the curriculum to all sectors of industry in the region, with ambitious plans to expand delivery.

Consequently, the charity has set a realistic budget, with tight management maintained around expenditure, that is focused on supporting learner achievement within truthful income figures. Derwent Training continues to enrol all year round rather than just in September to support employers' growth plans as they occur.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2024

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

Derwent Training cooperates with the EFSA and Department of Education (DfE) in its pursuit of the charitable objectives. It fulfils all requirements of the DfE in order to continue to deliver Apprenticeships.

##### **Recruitment and appointment of new trustees**

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire. Retiring trustees can choose to stand again as a trustee at the AGM and are elected by the Board at that meeting. New potential trustees are approached by the Chair when there is an opportunity to replace a retiring trustee or when a skills gap is identified on the Board. The Chair interviews applicants and the Board votes to elect a candidate to the Board.

##### **Organisational structure**

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for strategic and operational matters including finance, employment, and other related activities.

##### **Induction and training of new trustees**

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and ESFA contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

##### **Key management remuneration**

The Trustees consider that the Board along with the Senior Leadership Team comprise the key management personnel of the charity and are in charge of directing, controlling, and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

02262730 (England and Wales)

##### **Registered Charity number**

700763

##### **Registered office**

Hertford Way  
York Road Industrial Park  
Malton  
North Yorkshire  
YO17 6YG

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2024

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#### **Trustees**

Mr R A Shaw Chairperson  
Mr D MacFarlane Vice Chair  
Ms A Watson Director  
Ms S Edwards Director  
Ms L A Thompson Director

#### **Auditors**

Fortus Audit LLP  
Equinox House  
Clifton Park, Shipton Road  
York  
Yorkshire  
YO30 5PA

#### **Bankers**

Santander UK  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

#### **Chief Executive Officer**

C E Gavaghan

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 trustees are required to

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

The trustees 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**DERWENT TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES  
For The Year Ended 31 July 2024**

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This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 15 January 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Richard Shaw', is written on a white background. The signature is cursive and somewhat stylized.

Mr R A Shaw - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DERWENT TRAINING ASSOCIATION

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### **Opinion**

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 July 2024 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

### **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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions 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 of 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DERWENT TRAINING ASSOCIATION

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### **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 charitable 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 charitable 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 irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2016) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquires through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understandings, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**Use of our report**

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

*Frances Howard*

Frances Howard FCA (Senior Statutory Auditor)  
for and on behalf of Fortus Audit LLP  
Equinox House  
Clifton Park, Shipton Road  
York  
Yorkshire  
YO30 5PA

15 January 2025

**DERWENT TRAINING ASSOCIATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
For The Year Ended 31 July 2024**

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Education and training	3	921,301	-	921,301	935,690
Investment income	2	20,043	-	20,043	9,121
<b>Total</b>		<u>941,344</u>	<u>-</u>	<u>941,344</u>	<u>944,811</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Education and training	4	900,653	-	900,653	866,234
<b>NET INCOME</b>		40,691	-	40,691	78,577
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		894,407	-	894,407	815,830
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>935,098</u>	<u>-</u>	<u>935,098</u>	<u>894,407</u>

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**BALANCE SHEET  
31 July 2024**

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Tangible assets	11	739,703	729,504
<b>CURRENT ASSETS</b>			
Debtors	12	109,781	99,696
Cash at bank and in hand		411,675	391,232
		<u>521,456</u>	<u>490,928</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(89,430)	(99,846)
		<u>432,026</u>	<u>391,082</u>
<b>NET CURRENT ASSETS</b>			
		1,171,729	1,120,586
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(236,631)	(226,179)
		<u>935,098</u>	<u>894,407</u>
<b>NET ASSETS</b>			
		935,098	894,407
<b>FUNDS</b>	19		
Unrestricted funds		935,098	894,407
<b>TOTAL FUNDS</b>		<u>935,098</u>	<u>894,407</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 January 2025 and were signed on its behalf by:



Mr R A Shaw - Trustee

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**CASH FLOW STATEMENT  
For The Year Ended 31 July 2024**

	Notes	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	83,069	118,297
Interest paid		(27,661)	(27,515)
Net cash provided by operating activities		<u>55,408</u>	<u>90,782</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(41,936)	(15,892)
Interest received		20,043	9,121
Net cash used in investing activities		<u>(21,893)</u>	<u>(6,771)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(13,072)	(12,750)
Net cash used in financing activities		<u>(13,072)</u>	<u>(12,750)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		<u>20,443</u>	<u>71,261</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>391,232</u>	<u>319,971</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>411,675</u></u>	<u><u>391,232</u></u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 July 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	2024	2023	
	£	£	
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	40,691	78,577	
<b>Adjustments for:</b>			
Depreciation charges	31,740	30,525	
Interest received	(20,043)	(9,121)	
Interest paid	27,661	27,515	
Increase in debtors	(10,085)	(18,426)	
Increase in creditors	13,105	9,227	
<b>Net cash provided by operations</b>	<u>83,069</u>	<u>118,297</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.8.23	Cash flow	At 31.7.24
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	391,232	20,443	411,675
	<u>391,232</u>	<u>20,443</u>	<u>411,675</u>
<b>Debt</b>			
Debts falling due within 1 year	(37,115)	23,524	(13,591)
Debts falling due after 1 year	(226,179)	(10,452)	(236,631)
	<u>(263,294)</u>	<u>13,072</u>	<u>(250,222)</u>
<b>Total</b>	<u>127,938</u>	<u>33,515</u>	<u>161,453</u>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

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

### **Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

These costs have been allocated to expenditure on charitable activities.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2024

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the statement of financial activities.

**Interest-bearing loans**

Interest-bearing loans are measured initially at fair value less attributable transaction costs. Subsequently to initial recognition, loans are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of financial activities, together with any interest and fees payable, using the effective interest method.

**Cash at bank and in hand**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**Staff costs**

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

2. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	20,043	9,121

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Training fees	Education and training	912,964	927,726
Employer contributions	Education and training	8,172	7,789
Miscellaneous income	Education and training	165	175
		<u>921,301</u>	<u>935,690</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2024**

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 5) £	Support costs (see note 6) £	Totals £
Education and training	798,241	102,412	900,653

**5. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2024 £	2023 £
Staff costs	471,710	464,364
Water rates	491	448
Insurance	11,568	9,939
Light and heat	23,026	14,000
Telephone	6,150	5,993
Stationery, printing and postage	10,416	7,696
Sundries	4,621	5,745
Workshop tools, consumables and training materials	44,052	33,318
Registration fees	59,498	69,683
Equipment leasing	5,446	6,321
Motor vehicle leasing	3,986	5,159
Repairs and renewals	17,867	27,525
Computer expenses	42,514	51,864
Professional fees	3,031	-
Staff training	31,992	9,074
Staff recruitment	42,957	20,369
Licences and subscriptions	7,731	6,010
Clothing costs	624	1,035
Cleaning expenses	10,561	6,992
	<u>798,241</u>	<u>745,535</u>

**6. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
Education and training	62,165	31,739	8,508	102,412

Support costs, included in the above, are as follows:

	2024 Education and training £	2023 Total activities £
Travelling expenses	7,445	5,324
Advertising	18,217	19,031
Bookkeeping	-	6,790
Professional fees	8,759	23,104
Interest payable and similar charges	27,744	27,515
Depreciation of tangible fixed assets	31,739	30,525
Auditors' remuneration	6,960	6,870
Auditors' remuneration for non audit work	1,548	1,540
	<u>102,412</u>	<u>120,699</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2024**

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	6,960	6,870
Auditors' remuneration for non audit work	1,548	1,540
Depreciation - owned assets	31,737	30,525
	<u>31,737</u>	<u>30,525</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2024 nor for the year ended 31 July 2023.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 July 2024 nor for the year ended 31 July 2023.

**9. STAFF COSTS**

	2024	2023
	£	£
Wages and salaries	395,699	357,006
Social security costs	35,245	32,597
Sub contractors	18,927	65,190
Other pension costs	10,303	9,571
	<u>460,174</u>	<u>464,364</u>

Termination benefits of £Nil were paid during the year (2023: £12,400).

The average monthly number of employees during the year was as follows:

	2024	2023
Charitable activities	11	11
	<u>11</u>	<u>11</u>

The number of employees whose employee benefits (including employer national insurance contributions, but excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

The cost of key management personnel for the year was £153,689 (2023 - £146,820).

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2024

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Education and training	935,690	-	935,690
Investment income	9,121	-	9,121
<b>Total</b>	<u>944,811</u>	<u>-</u>	<u>944,811</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Education and training	<u>866,234</u>	<u>-</u>	<u>866,234</u>
<b>NET INCOME</b>	78,577	-	78,577
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	815,830	-	815,830
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>894,407</u>	<u>-</u>	<u>894,407</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2023	745,000	455,961	144,242	199,088	1,544,291
Additions	-	35,279	-	6,657	41,936
At 31 July 2024	<u>745,000</u>	<u>491,240</u>	<u>144,242</u>	<u>205,745</u>	<u>1,586,227</u>
<b>DEPRECIATION</b>					
At 1 August 2023	104,300	401,754	116,280	192,453	814,787
Charge for year	14,900	9,583	3,017	4,237	31,737
At 31 July 2024	<u>119,200</u>	<u>411,337</u>	<u>119,297</u>	<u>196,690</u>	<u>846,524</u>
<b>NET BOOK VALUE</b>					
At 31 July 2024	<u>625,800</u>	<u>79,903</u>	<u>24,945</u>	<u>9,055</u>	<u>739,703</u>
At 31 July 2023	<u>640,700</u>	<u>54,207</u>	<u>27,962</u>	<u>6,635</u>	<u>729,504</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2024

<b>12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2024	2023
	£	£
Trade debtors	59,089	65,412
Prepayments	50,692	34,284
	<u>109,781</u>	<u>99,696</u>
<b>13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2024	2023
	£	£
Bank loans (see note 15)	13,591	37,115
Trade creditors	44,484	38,324
Social security and other taxes	9,428	8,129
Other creditors	2,590	2,425
Accruals and deferred income	19,337	13,853
	<u>89,430</u>	<u>99,846</u>
<b>14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	2024	2023
	£	£
Bank loans (see note 15)	<u>236,631</u>	<u>226,179</u>
<b>15. LOANS</b>		
An analysis of the maturity of loans is given below:		
	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>13,591</u>	<u>37,115</u>
Amounts falling between one and two years:		
Bank loan	<u>14,301</u>	<u>37,115</u>
Amounts falling due between two and five years:		
Bank loan	<u>15,844</u>	<u>91,251</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	206,486	97,813

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2024**

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	20,269	10,826
Between one and five years	45,046	14,748
In more than five years	65,315	-
	130,630	25,574

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	250,222	263,294

The bank facilities are secured by a legal charge on the company's land and buildings.

The bank facilities are secured by a legal charge on the company's land and buildings. A bank loan amounting to £226,990 is repayable by instalments ending December 2043 and attracts interest of 11.75%.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted fund	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	739,703	-	739,703	729,504
Current assets	521,456	-	521,456	490,928
Current liabilities	(89,430)	-	(89,430)	(99,846)
Long term liabilities	(236,631)	-	(236,631)	(226,179)
	935,098	-	935,098	894,407

**19. MOVEMENT IN FUNDS**

	At 1.8.23	Net movement in funds	At 31.7.24
	£	£	£
<b>Unrestricted funds</b>			
General fund	894,407	40,691	935,098
	894,407	40,691	935,098
<b>TOTAL FUNDS</b>			

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2024

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	941,344	(900,653)	40,691
<b>TOTAL FUNDS</b>	<u>941,344</u>	<u>(900,653)</u>	<u>40,691</u>

Comparatives for movement in funds

	At 1.8.22 £	Net movement in funds £	At 31.7.23 £
<b>Unrestricted funds</b>			
General fund	815,830	78,577	894,407
<b>TOTAL FUNDS</b>	<u>815,830</u>	<u>78,577</u>	<u>894,407</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	944,811	(866,234)	78,577
<b>TOTAL FUNDS</b>	<u>944,811</u>	<u>(866,234)</u>	<u>78,577</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.22 £	Net movement in funds £	At 31.7.24 £
<b>Unrestricted funds</b>			
General fund	815,830	119,268	935,098
<b>TOTAL FUNDS</b>	<u>815,830</u>	<u>119,268</u>	<u>935,098</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2024

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,886,155	(1,766,887)	119,268
<b>TOTAL FUNDS</b>	<u>1,886,155</u>	<u>(1,766,887)</u>	<u>119,268</u>

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £10,303 (2023 £9,571).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2024 or the year ended 31 July 2023.

22. COMPANY STATUS

The charity is a private company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.

**DERWENT TRAINING ASSOCIATION**

England & Wales - Charity number 700763

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# Accounts

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**REGISTERED COMPANY NUMBER: 02262730 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 700763**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023  
FOR  
DERWENT TRAINING ASSOCIATION**

**DERWENT TRAINING ASSOCIATION**  
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**FOR THE YEAR ENDED 31 JULY 2023**

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## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2023

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2023. The trustees have adopted the provisions of 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**

##### **Objectives and aims**

The purpose of the charity is to provide education and skills training for employers and their employees. Standalone training is also available for individuals who wish to update their skills.

The objectives of the charity are to:

- Remain on the Apprenticeship Provider and Assessment Register (APAR) and contract directly with both levy and non-levy paying employers in order to deliver training. This has been achieved.
- Achieve above national achievement rates. This has been achieved.
- Remain 'good' in Ofsted inspection. This was obtained in March 2022.
- Maintain the Matrix Quality Standard. Re-accreditation was achieved in 2023.
- Continue to improve the quality of service and provision by teamwork and partnership working. Continuous improvement achieved with clients reporting a 98% satisfaction rate with Derwent Training.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into Apprenticeships. This is ongoing as the engineering industry itself has some way still to go in achieving equal representation. Derwent Training continues to train individuals from underrepresented groups but it is solely reliant on who the clients employ.
- Maintain a presence at careers events and other training awareness events with both employers and potential apprenticeship candidates. Derwent Training attends such events to promote its training offer.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market. Depending on the clients' needs Derwent Training does adapt delivery to support employers.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas. Full cost courses are offered to support the needs of clients.

##### **Public benefit**

The charity Trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the aims and objectives listed above and the significant achievements explained in detail later in the report.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

Derwent Training Association (Derwent Training) has successfully delivered on its charitable objectives during the year, whilst returning a profit which will enable future investment in its facilities.

Derwent Training was graded 'good' in its last Ofsted inspection (March 2022). It maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson, and obtained Cyber Essentials accreditation. Derwent Training subcontracted from Maritime and Engineering College who also received 'good' in their last Ofsted inspection. This contract has ended.

Apprenticeships are offered at levels 3 and 4. New enrolments surpassed the target set in 2022-23. Eighty employers placed apprentices with Derwent Training. Commercial courses were also delivered with the income target surpassed for the year in this income stream.

Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. There is a delicate balance to be had in being honest with employers about what Derwent Training can deliver in a set timeframe and signposting employers to other providers for aspects outside of the scope of Derwent Training. Integrity remains important in working with employers.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have taken up new opportunities elsewhere.

#### FINANCIAL REVIEW

##### Financial position

The Trustees consider that Derwent Training has had a successful year. It has met the demand for training during the period whilst carefully controlling the resources required to meet that demand. The resulting modest surplus has strengthened the balance sheet, which improves the entity's long term prospects.

##### Principal funding sources

Income was generated through a direct contract with the Education and Skills Funding Agency (ESFA) and a subcontracting arrangement with Maritime and Engineering College. The latter has ended and has no discernible impact on income. A loss of the ESFA contract would be a risk to the business, however this is adjudged to be low risk given the performance of the Charity.

##### Reserves policy

Trustees have examined the charity's requirements for reserves in light of the main risk to the organisation. The Charity holds reserves to ensure

- Long term stability and financial security including meeting working capital requirements and long-term commitments.
- There is provision for non-recurring projects and investment to improve the public benefit offered by the Charity.
- Support the Charity to continue activities in periods of less favourable funding due to external or other economic factors, such as a downturn in the sectors where the clients are based.

Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year.

Trustees report the level of free reserves, (that is those funds that are freely available), bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation. The policy is being met.

At 31 July 2023, the charity held reserves of £894,407 (2022: £815,830), all of which was unrestricted. The level of free reserves, that is unrestricted funds less those held in tangible fixed assets, was £164,903 (2022: £71,693).

**DERWENT TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2023**

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**FINANCIAL REVIEW**

**Going concern**

Derwent Training is a well-run Charity with a strong management team led by a competent CEO. The executive team is supported by an appropriately skilled and engaged non-executive Board who provide regular oversight. The organisation has significant cash reserves.

The principal risks to the charity are changes to the source of funding due to changes in Government policy and economic change resulting in a significant reduction in the number of Apprenticeships being offered by local businesses leading to a reduction in the training requirements in the area.

Because Apprenticeships are undertaken over a four-year period, changes to Government Policy would only occur after significant notice, and because the entity has significant cash reserves, the Directors cannot foresee circumstances that would change the Charity's Going Concern basis within the next twelve months.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2023

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#### **FUTURE PLANS**

The regional environment:

The North Yorkshire County Council Plan 2020-2024 identifies as a priority the need for increasing skill levels and ensuring that the workforce meets the needs of North Yorkshire, ensuring that there is a clear pathway for young people from education to training and employment, and other actions to support the development of a workforce that meets the social and economic needs of the county. Additionally, the LEP states that there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity. Derwent Training now offers not only Apprenticeships in engineering but also in leadership and management as well as full cost courses and online training that is a simple yet effective approach to employee development to ensure teams are upskilled.

The York, North Yorkshire, East Riding and Hull Area Review (2019) identified that the lack of large employers within the region is a challenge and there is limited take up of Apprenticeships by micro-business. New Apprenticeship starts nationally decreased pre-pandemic and did not pick up as the pandemic continued. Numbers began to increase during 2021-22 and there has been a steady increase since. Some providers have struggled to provide a viable offer therefore it is essential to ensure that Apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education. The lack of higher level Apprenticeships standards in the Local Enterprise Partnership (LEP) priority areas, such as engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to supporting the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable. There remains a lack of investment in leadership training in North Yorkshire and Derwent Training has committed to expanding its delivery in both the engineering as well as the leadership and management curriculum area.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and create opportunities through working in partnership with other providers and employers.

Derwent Training will work towards securing continued funding for Apprenticeship delivery through new partnership arrangements wherever possible.

The charity recognises the impact of the limited agreed trade deals following the withdrawal from the European Union on employers in the sector and the region, with many still holding off in recruiting new employees or going out of business. Additionally, the COVID-19 pandemic caused a further contraction in recruitment for some employers which is yet to fully recover.

The charity has identified the leadership and management curriculum as an area for development and has recruited a delivery team and is marketing the curriculum to all sectors of industry in the region.

Consequently, the charity has set a realistic budget, with tight management maintained around expenditure, that is focused on supporting learner achievement within truthful income figures. Derwent Training continues to enrol all year round rather than just in September to support employers' growth plans as they occur.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

Derwent Training cooperates with the EFSA and Department of Education (DfE) in its pursuit of the charitable objectives. It fulfils all requirements of the DfE in order to continue to deliver Apprenticeships.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2023

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire. Retiring trustees can choose to stand again as a trustee at the AGM and are elected by the Board at that meeting. New potential trustees are approached by the Chair when there is an opportunity to replace a retiring trustee or when a skills gap is identified on the Board. The Chair interviews applicants and the Board votes to elect a candidate to the Board.

##### **Organisational structure**

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for strategic and operational matters including finance, employment, and other related activities.

##### **Induction and training of new trustees**

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and ESFA contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

##### **Key management remuneration**

The Trustees consider that the Board along with the Senior Leadership Team comprise the key management personnel of the charity and are in charge of directing, controlling, and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

02262730 (England and Wales)

##### **Registered Charity number**

700763

##### **Registered office**

Hertford Way  
York Road Industrial Park  
Malton  
North Yorkshire  
YO17 6YG

##### **Trustees**

Mr R A Shaw Managing Director  
Mr D MacFarlane Company Director  
Mr A B G Pickering (resigned 17.10.22)  
Ms A Watson Director  
Ms S Edwards Director  
Ms L A Thompson Hr Director

**DERWENT TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2023**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Auditors**

Fortus Audit LLP  
Equinox House  
Clifton Park, Shipton Road  
York  
Yorkshire  
YO30 5PA

**Bankers**

Santander UK  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

**Chief Executive Officer**

C E Gavaghan

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 trustees are required to

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

The trustees 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17 April 2024 and signed on its behalf by:



.....  
Mr R A Shaw - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**Opinion**

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 July 2023 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**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 charitable 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 charitable 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 irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2016) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquires through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understandings, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**Use of our report**

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



Frances Howard FCA (Senior Statutory Auditor)  
for and on behalf of Fortus Audit LLP  
Equinox House  
Clifton Park, Shipton Road  
York  
Yorkshire  
YO30 5PA

Date: 17 April 2024

**DERWENT TRAINING ASSOCIATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 JULY 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Education and training	3	935,690	-	935,690	758,822
Investment income	2	<u>9,121</u>	-	<u>9,121</u>	<u>1,053</u>
<b>Total</b>		<u>944,811</u>	-	<u>944,811</u>	<u>759,875</u>
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Education and training	4	<u>866,234</u>	-	<u>866,234</u>	<u>685,064</u>
<b>NET INCOME</b>		78,577	-	78,577	74,811
 <b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		815,830	-	815,830	741,019
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>894,407</u>	-	<u>894,407</u>	<u>815,830</u>

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**BALANCE SHEET  
31 JULY 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	11	729,504	744,137
<b>CURRENT ASSETS</b>			
Debtors	12	99,696	81,270
Cash at bank and in hand		<u>391,232</u>	<u>319,971</u>
		490,928	401,241
<b>CREDITORS</b>			
Amounts falling due within one year	13	(99,846)	(67,464)
		<u>391,082</u>	<u>333,777</u>
<b>NET CURRENT ASSETS</b>			
		<u>391,082</u>	<u>333,777</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,120,586	1,077,914
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(226,179)	(262,084)
		<u>894,407</u>	<u>815,830</u>
<b>NET ASSETS</b>			
		<u>894,407</u>	<u>815,830</u>
<b>FUNDS</b>			
Unrestricted funds		<u>894,407</u>	<u>815,830</u>
<b>TOTAL FUNDS</b>		<u>894,407</u>	<u>815,830</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 17 April 2024 and were signed on its behalf by:



.....  
Mr R A Shaw - Trustee

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	118,297	154,757
Interest paid		<u>(27,515)</u>	<u>(18,988)</u>
Net cash provided by operating activities		<u>90,782</u>	<u>135,769</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(15,892)	(38,463)
Interest received		<u>9,121</u>	<u>1,053</u>
Net cash used in investing activities		<u>(6,771)</u>	<u>(37,410)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(12,750)</u>	<u>(61,180)</u>
Net cash used in financing activities		<u>(12,750)</u>	<u>(61,180)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		71,261	37,179
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>319,971</u>	<u>282,792</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>391,232</u>	<u>319,971</u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	78,577	74,811
<b>Adjustments for:</b>		
Depreciation charges	30,525	35,468
Interest received	(9,121)	(1,053)
Interest paid	27,515	18,988
Decrease in debtors	(18,426)	7,632
Increase in creditors	<u>9,227</u>	<u>18,911</u>
<b>Net cash provided by operations</b>	<u>118,297</u>	<u>154,757</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.22	Cash flow	At 31.7.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>319,971</u>	<u>71,261</u>	<u>391,232</u>
	<u>319,971</u>	<u>71,261</u>	<u>391,232</u>
<b>Debt</b>			
Debts falling due within 1 year	(13,961)	(23,154)	(37,115)
Debts falling due after 1 year	<u>(262,084)</u>	<u>35,905</u>	<u>(226,179)</u>
	<u>(276,045)</u>	<u>12,751</u>	<u>(263,294)</u>
<b>Total</b>	<u>43,926</u>	<u>138,544</u>	<u>182,470</u>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

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

### **Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

These costs have been allocated to expenditure on charitable activities.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023**

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the statement of financial activities.

**Interest-bearing loans**

Interest-bearing loans are measured initially at fair value less attributable transaction costs. Subsequently to initial recognition, loans are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of financial activities, together with any interest and fees payable, using the effective interest method.

**Cash at bank and in hand**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**Staff costs**

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

**2. INVESTMENT INCOME**

	2023	2022
	£	£
Deposit account interest	<u>9,121</u>	<u>1,053</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

		2023	2022
	Activity	£	£
Training fees	Education and training	927,726	746,277
Employer contributions	Education and training	7,789	7,252
Miscellaneous income	Education and training	<u>175</u>	<u>5,293</u>
		<u>935,690</u>	<u>758,822</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023**

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 5) £	Support costs (see note 6) £	Totals £
Education and training	<u>745,535</u>	<u>120,699</u>	<u>866,234</u>

**5. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2023 £	2022 £
Staff costs	464,364	404,920
Water rates	448	339
Insurance	9,939	8,994
Light and heat	14,000	8,838
Telephone	5,993	5,373
Stationery, printing and postage	7,696	7,420
Sundries	5,745	9,743
Workshop tools, consumables and training materials	33,318	24,127
Registration fees	69,683	62,128
Equipment leasing	6,321	6,854
Motor vehicle leasing	5,159	2,236
Repairs and renewals	27,525	7,369
Computer expenses	51,864	19,538
Staff training	9,074	11,886
Staff recruitment	20,369	608
Licences and subscriptions	6,010	4,772
Clothing costs	1,035	605
Cleaning expenses	<u>6,992</u>	<u>2,565</u>
	<u>745,535</u>	<u>588,315</u>

**6. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
Education and training	<u>81,764</u>	<u>30,525</u>	<u>8,410</u>	<u>120,699</u>

Support costs, included in the above, are as follows:

	2023 Education and training £	2022 Total activities £
Travelling expenses	5,324	5,075
Advertising	19,031	15,759
Bookkeeping	6,790	6,231
Professional fees	23,104	8,422
Interest payable and similar charges	27,515	18,988
Depreciation of tangible fixed assets	30,525	35,468
Auditors' remuneration	6,870	5,640
Auditors' remuneration for non-audit work	<u>1,540</u>	<u>1,166</u>
	<u>120,699</u>	<u>96,749</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023**

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	6,870	5,640
Auditors' remuneration for non audit work	1,540	1,166
Depreciation - owned assets	<u>30,525</u>	<u>35,468</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2023 nor for the year ended 31 July 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 July 2023 nor for the year ended 31 July 2022.

**9. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	357,006	312,298
Social security costs	32,597	27,340
Sub-contractors	65,190	56,303
Other pension costs	<u>9,571</u>	<u>8,979</u>
	<u>464,364</u>	<u>404,920</u>

Termination benefits of £12,400 were paid during the year (2022: £Nil).

The average monthly number of employees during the year was as follows:

	2023	2022
Charitable activities	<u>11</u>	<u>11</u>

The number of employees whose employee benefits (including employer national insurance contributions, but excluding employer pension costs) exceeded £60,000 was:

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

The cost of key management personnel for the year was £146,820 (2022 - £136,084).

DERWENT TRAINING ASSOCIATION

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Education and training	758,822	-	758,822
Investment income	<u>1,053</u>	<u>-</u>	<u>1,053</u>
<b>Total</b>	<u>759,875</u>	<u>-</u>	<u>759,875</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Education and training	<u>685,064</u>	<u>-</u>	<u>685,064</u>
<b>NET INCOME</b>	74,811	-	74,811
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>741,019</u>	<u>-</u>	<u>741,019</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>815,830</u>	<u>-</u>	<u>815,830</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2022	745,000	455,961	135,253	192,185	1,528,399
Additions	<u>-</u>	<u>-</u>	<u>8,989</u>	<u>6,903</u>	<u>15,892</u>
At 31 July 2023	<u>745,000</u>	<u>455,961</u>	<u>144,242</u>	<u>199,088</u>	<u>1,544,291</u>
<b>DEPRECIATION</b>					
At 1 August 2022	89,400	392,188	112,752	189,922	784,262
Charge for year	<u>14,900</u>	<u>9,566</u>	<u>3,528</u>	<u>2,531</u>	<u>30,525</u>
At 31 July 2023	<u>104,300</u>	<u>401,754</u>	<u>116,280</u>	<u>192,453</u>	<u>814,787</u>
<b>NET BOOK VALUE</b>					
At 31 July 2023	<u>640,700</u>	<u>54,207</u>	<u>27,962</u>	<u>6,635</u>	<u>729,504</u>
At 31 July 2022	<u>655,600</u>	<u>63,773</u>	<u>22,501</u>	<u>2,263</u>	<u>744,137</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023**

<b>12.</b>	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		2023	2022
		£	£
	Trade debtors	65,412	51,684
	Prepayments	<u>34,284</u>	<u>29,586</u>
		<u>99,696</u>	<u>81,270</u>
<b>13.</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		2023	2022
		£	£
	Bank loans (see note 15)	37,115	13,961
	Trade creditors	38,324	32,184
	Social security and other taxes	8,129	8,615
	Other creditors	2,425	2,480
	Accruals and deferred income	<u>13,853</u>	<u>10,224</u>
		<u>99,846</u>	<u>67,464</u>
<b>14.</b>	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
		2023	2022
		£	£
	Bank loans (see note 15)	<u>226,179</u>	<u>262,084</u>
<b>15.</b>	<b>LOANS</b>		
	An analysis of the maturity of loans is given below:		
		2023	2022
		£	£
	Amounts falling due within one year on demand:		
	Bank loan	<u>37,115</u>	<u>13,961</u>
	Amounts falling between one and two years:		
	Bank loan	<u>37,115</u>	<u>14,538</u>
	Amounts falling due between two and five years:		
	Bank loan	<u>91,251</u>	<u>39,271</u>
	Amounts falling due in more than five years:		
	Repayable by instalments:		
	Bank loan	97,813	208,275

DERWENT TRAINING ASSOCIATION

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

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**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	10,826	6,802
Between one and five years	<u>14,748</u>	<u>13,183</u>
	<u>25,574</u>	<u>19,985</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	<u>263,294</u>	<u>276,045</u>

The bank facilities are secured by a legal charge on the company's land and buildings.

**18. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £9,571 (2022 £8,979).

**19. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 July 2023.

**20. COMPANY STATUS**

The charity is a private company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.

**DERWENT TRAINING ASSOCIATION**

England & Wales - Charity number 700763

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# Accounts

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**REGISTERED COMPANY NUMBER: 02262730 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 700763**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022  
FOR  
DERWENT TRAINING ASSOCIATION**

**DERWENT TRAINING ASSOCIATION**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 July 2022**

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## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2022

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2022. The trustees have adopted the provisions of 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**

##### **Objectives and aims**

The objectives of the charity are to:

- Remain on the Register of Apprentice Training Providers (RoATP) and contract directly with both levy and non-levy paying employers.
- Maintain appropriate working partnerships with Prime organisations.
- Achieve above national achievement rates.
- Achieve 'good' in Ofsted inspection.
- Maintain and improve the Matrix Quality Standard.
- Continue to improve the quality of service and provision by teamwork and partnership working.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into engineering.
- Maintain a presence at careers events and other training awareness events with both employers and potential apprenticeship candidates.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas.

##### **Public benefit**

The charity trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the aims and objectives listed above and the significant achievements explained in detail later in the report.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

Derwent Training Association (Derwent Training) were graded 'good' in their last Ofsted inspection (March 2022). They maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson, and obtaining Cyber Essentials accreditation. Derwent Training subcontract from Maritime and Engineering College who also received 'good' in their last Ofsted inspection.

Apprenticeships are offered at levels 3 and 4. New enrolments in 2021-22 were 100% of the target set. Eighty employers placed apprentices with Derwent Training. Commercial courses were also delivered.

Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. There is a delicate balance to be had in being honest with employers about what Derwent Training can deliver in a set timeframe and signposting employers to other providers for aspects outside of the scope of Derwent Training. Integrity remains important in working with employers.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have taken up new opportunities elsewhere.

#### **FINANCIAL REVIEW**

##### **Principal funding sources**

Income is generated through a direct contract with the Education and Skills Funding Agency and a subcontract with Maritime and Engineering College.

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## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2022

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#### **FINANCIAL REVIEW**

##### **Reserves policy**

Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year. Trustees report the level of reserves (that is those funds that are freely available).

Reserves bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation.

##### **Going concern**

The company is repaying a loan taken out in December 2018. A Bounce Bank Loan which was obtained in October 2020 was ultimately employed to pay down an existing loan and reduce overall the scale of interest being paid back on loans. Creditors are paid and debtors pay the company. The management of cash flow is very good because processes are tightly managed. The Trustees are building up reserves in line with the principles above. As a result of this the Trustees are of the opinion that the charity is a going concern.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2022

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#### **FUTURE PLANS**

The regional environment:

The North Yorkshire County Council Plan 2020-2024 identifies as a priority the need for increasing skill levels and ensuring that the workforce meets the needs of North Yorkshire, ensuring that there is a clear pathway for young people from education to training and employment, and other actions to support the development of a workforce that meets the social and economic needs of the county. Additionally, the Local Enterprise Partnership (LEP) states that there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity.

The York, North Yorkshire, East Riding and Hull Area Review (2019) identified that the lack of large employers within the region is a challenge and there is limited take up of apprenticeships by micro-business. New apprenticeship starts nationally decreased pre-pandemic and did not pick up as the pandemic continued. Numbers began to increase during 2021-22 but this increase is slow rather than sharp. Some providers have struggled to provide a viable offer therefore it is essential to ensure that apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education. The lack of higher level apprenticeships standards in the LEP priority areas, such as engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to support the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable. There remains a lack of investment in leadership training in North Yorkshire and Derwent Training is committed to expanding its delivery in this curriculum area.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and create opportunities through working in partnership with other providers and employers.

Derwent Training will work towards securing continued funding for apprenticeship delivery through existing contractor and new partnership arrangements.

The charity recognises the impact of the limited agreed trade deals following the withdrawal from the European Union on employers in the sector and the region, with many still holding off in recruiting new employees. Additionally, the COVID-19 pandemic caused a further contraction in recruitment for some employers.

The charity has identified the leadership and management curriculum as an area for development and delivery and is currently recruiting a delivery team.

Consequently, the charity has set a realistic budget, with tight management maintained around expenditure, that is focused on supporting learner achievement within truthful income figures. Derwent Training continues to enrol all year round rather than just in September to support employers' growth plans as they occur.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2022

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire.

##### **Organisational structure**

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for strategic and operational matters including finance, employment, and other related activities.

##### **Induction and training of new trustees**

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and ESFA contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

##### **Key management remuneration**

The Trustees consider that the Board along with the Senior Leadership Team comprise the key management personnel of the charity and are in charge of directing, controlling, and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

02262730 (England and Wales)

##### **Registered Charity number**

700763

##### **Registered office**

Hertford Way  
York Road Industrial Park  
Malton  
North Yorkshire  
YO17 6YG

##### **Trustees**

Mr R A Shaw  
Mr D MacFarlane  
Mr A B G Pickering (resigned 17.10.22)  
Ms A Watson  
Ms S Edwards  
Ms L A Thompson (appointed 30.11.21)

##### **Auditors**

Fortus Audit LLP  
Chartered Accountants & Statutory Auditors  
5&6 Manor Court  
Manor Garth  
Scarborough  
North Yorkshire  
YO11 3TU

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2022

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#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Bankers

Santander UK  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

##### Chief Executive Officer

C E Gavaghan

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 trustees are required to

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

The trustees 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on <sup>26<sup>th</sup></sup>.....March 2023 and signed on its behalf by:



.....  
Mr R A Shaw - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

---

**Opinion**

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**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 charitable 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 charitable 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DERWENT TRAINING ASSOCIATION

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### **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 irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2016) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquires through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understandings, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimated for bias.

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](http://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.

  
Richard Buckby FCA (Senior Statutory Auditor)  
for and on behalf of Fortus Audit LLP  
Chartered Accountants & Statutory Auditors  
5&6 Manor Court  
Manor Garth  
Scarborough  
North Yorkshire  
YO11 3TU

Date: <sup>28</sup>.....March 2023

**DERWENT TRAINING ASSOCIATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**For The Year Ended 31 July 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Education and training	3	758,822	-	758,822	702,560
Investment income	2	<u>1,053</u>	<u>-</u>	<u>1,053</u>	<u>74</u>
<b>Total</b>		<u>759,875</u>	<u>-</u>	<u>759,875</u>	<u>702,634</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Education and training	4	<u>685,064</u>	<u>-</u>	<u>685,064</u>	<u>624,712</u>
<b>NET INCOME</b>		74,811	-	74,811	77,922
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>741,019</u>	<u>-</u>	<u>741,019</u>	<u>663,097</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>815,830</u></u>	<u><u>-</u></u>	<u><u>815,830</u></u>	<u><u>741,019</u></u>

The notes form part of these financial statements

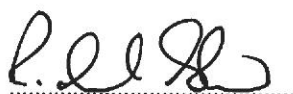
**DERWENT TRAINING ASSOCIATION**

**BALANCE SHEET**  
31 July 2022

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	11	744,137	741,142
<b>CURRENT ASSETS</b>			
Debtors	12	81,270	88,902
Cash at bank and in hand		<u>319,971</u>	<u>282,792</u>
		401,241	371,694
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(67,464)</u>	<u>(40,592)</u>
<b>NET CURRENT ASSETS</b>		<u>333,777</u>	<u>331,102</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,077,914	1,072,244
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	<u>(262,084)</u>	<u>(331,225)</u>
<b>NET ASSETS</b>		<u>815,830</u>	<u>741,019</u>
<b>FUNDS</b>	19		
Unrestricted funds		<u>815,830</u>	<u>741,019</u>
<b>TOTAL FUNDS</b>		<u>815,830</u>	<u>741,019</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on <sup>20<sup>th</sup></sup>.....March 2023 and were signed on its behalf by:



Mr R A Shaw - Trustee

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**CASH FLOW STATEMENT  
For The Year Ended 31 July 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	154,757	136,480
Interest paid		<u>(18,988)</u>	<u>(20,012)</u>
Net cash provided by operating activities		<u>135,769</u>	<u>116,468</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(38,463)	(5,367)
Interest received		<u>1,053</u>	<u>74</u>
Net cash used in investing activities		<u>(37,410)</u>	<u>(5,293)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	50,000
Loan repayments in year		<u>(61,180)</u>	<u>(5,422)</u>
Net cash (used in)/provided by financing activities		<u>(61,180)</u>	<u>44,578</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		37,179	155,753
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>282,792</u>	<u>127,039</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>319,971</u>	<u>282,792</u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 July 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	2022	2021	
	£	£	
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	74,811	77,922	
<b>Adjustments for:</b>			
Depreciation charges	35,468	31,998	
Interest received	(1,053)	(74)	
Interest paid	18,988	20,012	
Decrease in debtors	7,632	5,801	
Increase in creditors	18,911	821	
<b>Net cash provided by operations</b>	<u>154,757</u>	<u>136,480</u>	
2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS			
	At 1.8.21	Cash flow	At 31.7.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>282,792</u>	<u>37,179</u>	<u>319,971</u>
	<u>282,792</u>	<u>37,179</u>	<u>319,971</u>
<b>Debt</b>			
Debts falling due within 1 year	(6,000)	(7,961)	(13,961)
Debts falling due after 1 year	<u>(331,225)</u>	<u>69,141</u>	<u>(262,084)</u>
	<u>(337,225)</u>	<u>61,180</u>	<u>(276,045)</u>
<b>Total</b>	<u>(54,433)</u>	<u>98,359</u>	<u>43,926</u>

The notes form part of these financial statements

## DERWENT TRAINING ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 July 2022

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', 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, as modified by the revaluation of certain assets.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Expenditure**

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

##### **Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities and are made up of auditors remuneration for audit and non-audit services. These costs have been allocated to expenditure on charitable activities.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

**1. ACCOUNTING POLICIES - continued**

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the statement of financial activities.

**2. INVESTMENT INCOME**

	2022	2021
	£	£
Deposit account interest	<u>1,053</u>	<u>74</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

		2022	2021
	Activity	£	£
Training fees	Education and training	746,277	698,463
Employer contributions	Education and training	7,252	3,708
Miscellaneous income	Education and training	<u>5,293</u>	<u>389</u>
		<u>758,822</u>	<u>702,560</u>

**4. CHARITABLE ACTIVITIES COSTS**

		2022	2021
		£	£
Direct costs (see note 5)		678,258	618,220
Support costs (see note 6)		<u>6,806</u>	<u>6,492</u>
		<u>685,064</u>	<u>624,712</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

**5. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2022	2021
	£	£
Staff costs	404,920	424,607
Water rates	339	137
Insurance	8,994	9,837
Light and heat	8,838	7,826
Telephone	5,373	6,166
Stationery, printing and postage	7,420	5,757
Advertising	15,759	2,853
Sundries	9,743	4,418
Workshop tools, consumables and training materials	24,127	11,984
Registration fees	62,128	15,238
Equipment leasing	6,854	6,854
Motor vehicle leasing	2,236	3,528
Travelling expenses	5,075	1,672
Repairs and renewals	7,369	9,231
Computer expenses	19,538	20,051
Professional fees	8,422	13,197
Staff training	11,886	9,231
Staff recruitment	608	212
Licences and subscriptions	4,772	5,109
Clothing costs	605	76
Cleaning expenses	2,565	745
Bookkeeping	6,231	7,481
Depreciation	35,468	31,998
Interest payable and similar charges	<u>18,988</u>	<u>20,012</u>
	<u>678,258</u>	<u>618,220</u>

**6. SUPPORT COSTS**

	2022	2021
	£	£
Auditors' remuneration	5,640	5,430
Auditors' remuneration for non-audit work	<u>1,166</u>	<u>1,152</u>
	<u>6,806</u>	<u>6,492</u>

**DERWENT TRAINING ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	5,640	5,340
Auditors' remuneration for non audit work	1,166	1,152
Depreciation - owned assets	<u>35,468</u>	<u>31,998</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2022 nor for the year ended 31 July 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 July 2022 nor for the year ended 31 July 2021.

**9. STAFF COSTS**

	2022	2021
	£	£
Wages and salaries	368,601	386,483
Social security costs	27,340	28,871
Other pension costs	<u>8,979</u>	<u>9,253</u>
	<u>404,920</u>	<u>424,607</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Charitable activities	<u>11</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

The cost of key management personnel for the year 2022 - £136,084.

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Education and training	702,560	-	702,560
Investment income	<u>74</u>	<u>-</u>	<u>74</u>
<b>Total</b>	<u>702,634</u>	<u>-</u>	<u>702,634</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Education and training	<u>624,712</u>	<u>-</u>	<u>624,712</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>NET INCOME</b>	77,922	-	77,922
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	663,097	-	663,097
	<u>663,097</u>	<u>-</u>	<u>663,097</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>741,019</u>	<u>-</u>	<u>741,019</u>

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2021	745,000	420,242	134,183	190,511	1,489,936
Additions	<u>-</u>	<u>35,719</u>	<u>1,070</u>	<u>1,674</u>	<u>38,463</u>
At 31 July 2022	<u>745,000</u>	<u>455,961</u>	<u>135,253</u>	<u>192,185</u>	<u>1,528,399</u>
<b>DEPRECIATION</b>					
At 1 August 2021	74,500	381,473	108,955	183,866	748,794
Charge for year	<u>14,900</u>	<u>10,715</u>	<u>3,797</u>	<u>6,056</u>	<u>35,468</u>
At 31 July 2022	<u>89,400</u>	<u>392,188</u>	<u>112,752</u>	<u>189,922</u>	<u>784,262</u>
<b>NET BOOK VALUE</b>					
At 31 July 2022	<u>655,600</u>	<u>63,773</u>	<u>22,501</u>	<u>2,263</u>	<u>744,137</u>
At 31 July 2021	<u>670,500</u>	<u>38,769</u>	<u>25,228</u>	<u>6,645</u>	<u>741,142</u>

The freehold property was revalued on 8 October 2016 by McBeath Property Consultancy Limited, independent chartered surveyors. The value using an open market basis was £745,000.

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	51,684	66,463
Prepayments	<u>29,586</u>	<u>22,439</u>
	<u>81,270</u>	<u>88,902</u>

**DERWENT TRAINING ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Bank loans (see note 15)	13,961	6,000
Trade creditors	32,184	14,080
Social security and other taxes	8,615	8,016
Other creditors	2,480	2,438
Accruals and deferred income	<u>10,224</u>	<u>10,058</u>
	<u>67,464</u>	<u>40,592</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Bank loans (see note 15)	<u>262,084</u>	<u>331,225</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>13,961</u>	<u>6,000</u>
Amounts falling between one and two years:		
Bank loan	<u>14,538</u>	<u>7,000</u>
Amounts falling due between two and five years:		
Bank loan	<u>39,271</u>	<u>21,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	208,275	303,225

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	6,802	5,289
Between one and five years	<u>13,183</u>	<u>7,250</u>
	<u>19,985</u>	<u>12,539</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2022

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	<u>276,045</u>	<u>337,225</u>

The bank facilities are secured by a legal charge on the company's land and buildings.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	744,137	-	744,137	741,142
Current assets	401,241	-	401,241	371,694
Current liabilities	(67,464)	-	(67,464)	(40,592)
Long term liabilities	<u>(262,084)</u>	-	<u>(262,084)</u>	<u>(331,225)</u>
	<u>815,830</u>	-	<u>815,830</u>	<u>741,019</u>

19. MOVEMENT IN FUNDS

	At 1.8.21 £	Net movement in funds £	At 31.7.22 £
<b>Unrestricted funds</b>			
General fund	741,019	74,811	815,830
<b>TOTAL FUNDS</b>	<u>741,019</u>	<u>74,811</u>	<u>815,830</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	759,875	(685,064)	74,811
<b>TOTAL FUNDS</b>	<u>759,875</u>	<u>(685,064)</u>	<u>74,811</u>

**DERWENT TRAINING ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

**19. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.8.20 £	Net movement in funds £	At 31.7.21 £
<b>Unrestricted funds</b>			
General fund	663,097	77,922	741,019
	<u>663,097</u>	<u>77,922</u>	<u>741,019</u>
<b>TOTAL FUNDS</b>	<u>663,097</u>	<u>77,922</u>	<u>741,019</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	702,634	(624,712)	77,922
	<u>702,634</u>	<u>(624,712)</u>	<u>77,922</u>
<b>TOTAL FUNDS</b>	<u>702,634</u>	<u>(624,712)</u>	<u>77,922</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.20 £	Net movement in funds £	At 31.7.22 £
<b>Unrestricted funds</b>			
General fund	663,097	152,733	815,830
	<u>663,097</u>	<u>152,733</u>	<u>815,830</u>
<b>TOTAL FUNDS</b>	<u>663,097</u>	<u>152,733</u>	<u>815,830</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,462,509	(1,309,776)	152,733
	<u>1,462,509</u>	<u>(1,309,776)</u>	<u>152,733</u>
<b>TOTAL FUNDS</b>	<u>1,462,509</u>	<u>(1,309,776)</u>	<u>152,733</u>

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2022**

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**20. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £8,979 (2021 £9,253).

**21. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 July 2022.

**22. COMPANY STATUS**

The charity is a company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.



**DERWENT TRAINING ASSOCIATION**

England & Wales - Charity number 700763

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# Accounts

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**REGISTERED COMPANY NUMBER: 02262730 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 700763**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021  
FOR  
DERWENT TRAINING ASSOCIATION**

Fortus Audit LLP  
Chartered Accountants & Statutory Auditors  
5&6 Manor Court  
Manor Garth  
Scarborough  
North Yorkshire  
YO11 3TU

**DERWENT TRAINING ASSOCIATION**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 July 2021**

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## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of 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**

##### **Objectives and aims**

The objectives of the charity are to:

- Remain on the Register of Apprentice Training Providers (RoATP) and contract directly with both levy and non-levy paying employers
- Maintain appropriate working partnerships with Prime organisations.
- Achieve above national achievement rates.
- Achieve 'good' in Ofsted inspection.
- Maintain and improve the Matrix Quality Standard.
- Continue to improve the quality of service and provision by teamwork and partnership working.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into engineering.
- Maintain a presence at careers events and other training awareness events with both employers and potential apprenticeship candidates.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas.

##### **Public benefit**

The charity trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the aims and objectives listed above and the significant achievements explained in detail later in the report.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

Derwent Training Association (Derwent Training) maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson. Derwent Training subcontract from Craven College who received 'good' in their last Ofsted inspection as well as from Maritime and Engineering College who also received 'good' in their last Ofsted inspection.

New enrolments in 2020-21 were 93% of the set target. Eighty-five employers placed apprentices with Derwent Training. Commercial courses were also delivered.

The timely achievement rate in 2020-21 was 79% at Level 3 and 91% at Level 2, both well above the National Average. The timely achievement rates compare favourably against the performance of other private sector public funded providers (61.3%) and General Further Education Colleges (60%) in Yorkshire and Humberside.

Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. There is a delicate balance to be had in being honest with employers about what Derwent Training can deliver in a set timeframe and signposting employers to other providers for aspects outside of the scope of Derwent Training. Integrity remains important in working with employers.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have taken up new opportunities elsewhere.

#### FINANCIAL REVIEW

##### Principal funding sources

Income is generated through a direct contract with the Education and Skills Funding Agency and subcontracting arrangements with Craven College and Maritime and Engineering College. A Bounce Bank Loan was obtained in October 2020 and held within the Reserves account.

##### Reserves policy

Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year. Trustees report the level of reserves (that is those funds that are freely available).

Reserves bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation.

##### Going concern

The company is repaying a loan taken out in December 2018. There was no repayment required of the Bounce Bank Loan during the period of this report. Creditors are paid and debtors pay the company. The management of cash flow is good because processes are tightly managed. The Trustees are building up reserves in line with the principles above. As a result of this the Trustees are of the opinion that the charity is a going concern.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

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#### **FUTURE PLANS**

The regional environment:

The York, North Yorkshire, East Riding and Hull Area Review (2017) identified that the lack of large employers within the region is a challenge and there is limited take up of apprenticeships by micro-business. Indeed, new apprenticeship starts nationally had decreased pre-pandemic and did not pick up as the pandemic continued. Some providers may struggle to provide a viable offer therefore it is essential to ensure that apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education. The lack of higher level apprenticeships standards in the Local Enterprise Partnership (LEP) priority areas, such as engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to supporting the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable.

The North Yorkshire County Council Plan 2020-2024 identifies as a priority the need for increasing skill levels and ensuring that the workforce meets the needs of North Yorkshire, ensuring that there is a clear pathway for young people from education to training and employment, and other actions to support the development of a workforce that meets the social and economic needs of the county. Additionally, the LEP states that there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and create opportunities through working in partnership with other providers and employers.

Derwent Training will work towards securing continued funding for apprenticeship delivery through existing contractor and new partnership arrangements. The increased funding available for delivering the Apprenticeship Standards means that income per apprentice has increased in comparison to delivering Frameworks.

The charity recognises the impact of the limited agreed trade deals following the withdrawal from the European Union on employers in the sector and the region, with many still holding off in recruiting new employees. Additionally, the COVID-19 pandemic has caused a further contraction in recruitment for some employers.

The charity has identified the leadership and management curriculum as a new area for development and delivery and is working towards recruiting to it.

Consequently, the charity has set a realistic budget with tight management maintained around expenditure that is focused on supporting learner achievement within truthful income figures. Derwent Training continues to enrol all year round rather than just in September to support employers' growth plans as they occur.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

##### **Recruitment and appointment of new trustees**

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire.

## DERWENT TRAINING ASSOCIATION

### REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and other related activities.

##### **Induction and training of new trustees**

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and ESFA contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

##### **Key management remuneration**

The Trustees consider that the Board along with the senior leadership team comprise the key management personnel of the charity and are in charge of directing, controlling and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

02262730 (England and Wales)

##### **Registered Charity number**

700763

##### **Registered office**

Hertford Way  
York Road Industrial Park  
Malton  
North Yorkshire  
YO17 6YG

##### **Trustees**

Mr R A Shaw (Chairman)  
Mr A Suggett (resigned 1.9.20)  
Mr D Macfarlane (Vice Chairman)  
Mr A B G Pickering  
Mr S Pearson (resigned 4.11.20)  
Ms A Watson  
Mrs S Edwards (appointed 4.11.20)  
Ms L A Thompson (appointed 30.11.21)

##### **Auditors**

Fortus Audit LLP  
Chartered Accountants & Statutory Auditors  
5&6 Manor Court  
Manor Garth  
Scarborough  
North Yorkshire  
YO11 3TU

**DERWENT TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES  
For The Year Ended 31 July 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Bankers**

Santander UK  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

**Chief Executive Officer**

C E Gavaghan

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 trustees are required to

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

The trustees 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on .....April 2022 and signed on its behalf by:

.....  
Mr R A Shaw - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DERWENT TRAINING ASSOCIATION

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### **Opinion**

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

### **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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**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 charitable 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 charitable 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DERWENT TRAINING ASSOCIATION**

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**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 irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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/auditors-responsibilities](http://www.frc.org.uk/auditors-responsibilities). 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.

Paul Dixon ACA (Senior Statutory Auditor)  
for and on behalf of Fortus Audit LLP  
Chartered Accountants & Statutory Auditors  
5&6 Manor Court  
Manor Garth  
Scarborough  
North Yorkshire  
YO11 3TU

Date: .....April 2022

DERWENT TRAINING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
For The Year Ended 31 July 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Education and training	4	702,560	-	702,560	756,246
Other trading activities	2	-	-	-	55
Investment income	3	<u>74</u>	<u>-</u>	<u>74</u>	<u>169</u>
<b>Total</b>		702,634	-	702,634	756,470
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Education and training	5	<u>624,712</u>	<u>-</u>	<u>624,712</u>	<u>774,150</u>
<b>NET INCOME/(EXPENDITURE)</b>		77,922	-	77,922	(17,680)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>663,097</u>	<u>-</u>	<u>663,097</u>	<u>680,777</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>741,019</u></u>	<u><u>-</u></u>	<u><u>741,019</u></u>	<u><u>663,097</u></u>

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**BALANCE SHEET  
31 July 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	741,142	767,773
<b>CURRENT ASSETS</b>			
Debtors	13	88,902	94,703
Cash at bank and in hand		<u>282,792</u>	<u>127,039</u>
		371,694	221,742
<b>CREDITORS</b>			
Amounts falling due within one year	14	(40,592)	(38,771)
		<u>331,102</u>	<u>182,971</u>
<b>NET CURRENT ASSETS</b>			
		1,072,244	950,744
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(331,225)	(287,647)
		<u>741,019</u>	<u>663,097</u>
<b>NET ASSETS</b>			
		<u>741,019</u>	<u>663,097</u>
<b>FUNDS</b>	19		
Unrestricted funds		<u>741,019</u>	<u>663,097</u>
<b>TOTAL FUNDS</b>		<u>741,019</u>	<u>663,097</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on .....April 2022 and were signed on its behalf by:

.....  
Mr R A Shaw - Trustee

The notes form part of these financial statements

**DERWENT TRAINING ASSOCIATION**

**CASH FLOW STATEMENT  
For The Year Ended 31 July 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	136,481	26,916
Interest paid		<u>(20,012)</u>	<u>(22,572)</u>
Net cash provided by operating activities		<u>116,469</u>	<u>4,344</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(5,367)	(13,584)
Interest received		<u>74</u>	<u>169</u>
Net cash used in investing activities		<u>(5,293)</u>	<u>(13,415)</u>
<b>Cash flows from financing activities</b>			
New loans in year		50,000	-
Loan repayments in year		<u>(5,423)</u>	<u>(4,760)</u>
Net cash provided by/(used in) financing activities		<u>44,577</u>	<u>(4,760)</u>
<hr/>			
<b>Change in cash and cash equivalents in the reporting period</b>		155,753	(13,831)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>127,039</u>	<u>140,870</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>282,792</u></u>	<u><u>127,039</u></u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 July 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	77,922	(17,680)
<b>Adjustments for:</b>		
Depreciation charges	31,998	34,753
Interest received	(74)	(169)
Interest paid	20,012	22,572
Decrease in debtors	5,802	9,412
Increase/(decrease) in creditors	<u>821</u>	<u>(21,972)</u>
<b>Net cash provided by operations</b>	<u>136,481</u>	<u>26,916</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.20	Cash flow	At 31.7.21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>127,039</u>	<u>155,753</u>	<u>282,792</u>
	<u>127,039</u>	<u>155,753</u>	<u>282,792</u>
<b>Debt</b>			
Debts falling due within 1 year	(5,000)	(1,000)	(6,000)
Debts falling due after 1 year	<u>(287,647)</u>	<u>(43,578)</u>	<u>(331,225)</u>
	<u>(292,647)</u>	<u>(44,578)</u>	<u>(337,225)</u>
<b>Total</b>	<u>(165,608)</u>	<u>111,175</u>	<u>(54,433)</u>

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', 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, as modified by the revaluation of certain assets.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

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

### **Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities and are made up of auditors remuneration for audit and non-audit services These costs have been allocated to expenditure on charitable activities.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 25 years
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**DERWENT TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 July 2021**

**1. ACCOUNTING POLICIES - continued**

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the profit and loss account.

**2. OTHER TRADING ACTIVITIES**

	2021	2020
	£	£
Room hire and refreshments	-	55
	<u>          </u>	<u>          </u>

**3. INVESTMENT INCOME**

	2021	2020
	£	£
Deposit account interest	74	169
	<u>          </u>	<u>          </u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

		2021	2020
	Activity	£	£
Training fees	Education and training	698,463	729,052
Employer contributions	Education and training	3,708	17,194
Grants	Education and training	-	10,000
Miscellaneous income	Education and training	389	-
		<u>          </u>	<u>          </u>
		<u>702,560</u>	<u>756,246</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Ryedale District Council	-	10,000
	<u>          </u>	<u>          </u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

5. CHARITABLE ACTIVITIES COSTS	2021	2020
	£	£
Direct costs (see note 6)	618,220	767,478
Support costs (see note 7)	<u>6,492</u>	<u>6,672</u>
	<u>624,712</u>	<u>774,150</u>
6. DIRECT COSTS OF CHARITABLE ACTIVITIES	2021	2020
	£	£
Staff costs	424,607	519,083
Water rates	137	828
Insurance	9,837	11,399
Light and heat	7,826	8,717
Telephone	6,166	9,219
Stationery, printing and postage	5,757	9,050
Advertising	2,853	11,431
Sundries	4,418	5,430
Workshop tools, consumables and training materials	11,984	17,186
Registration fees	15,238	21,013
Equipment leasing	6,854	5,910
Motor vehicle leasing	3,528	3,534
Travelling expenses	1,672	5,006
Repairs and renewals	9,231	8,682
Computer expenses	20,051	18,247
Professional fees	13,197	8,830
Staff training	9,231	9,524
Staff recruitment	212	22,020
Licences and subscriptions	5,109	5,576
Clothing costs	76	1,018
Cleaning expenses	745	1,124
Bookkeeping	7,481	7,326
Depreciation	31,998	34,753
Interest payable and similar charges	<u>20,012</u>	<u>22,572</u>
	<u>618,220</u>	<u>767,478</u>
7. SUPPORT COSTS	2021	2020
	£	£
Auditors' remuneration	5,340	5,430
Auditors' remuneration for non-audit work	<u>1,152</u>	<u>1,242</u>
	<u>6,492</u>	<u>6,672</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

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**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,340	5,430
Auditors' remuneration for non audit work	1,152	1,242
Depreciation - owned assets	<u>31,998</u>	<u>34,753</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

**10. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	386,483	476,183
Social security costs	28,871	33,552
Other pension costs	<u>9,253</u>	<u>9,348</u>
	<u>424,607</u>	<u>519,083</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Charitable activities	<u>12</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

The cost of key management personnel for the year was £54,852.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Education and training	756,246	-	756,246
Other trading activities	55	-	55
Investment income	<u>169</u>	<u>-</u>	<u>169</u>
<b>Total</b>	756,470	-	756,470
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Education and training	<u>774,150</u>	<u>-</u>	<u>774,150</u>
<b>NET EXPENDITURE</b>	(17,680)	-	(17,680)
<b>Transfers between funds</b>	<u>690,191</u>	<u>(690,191)</u>	<u>-</u>
<b>Net movement in funds</b>	672,511	(690,191)	(17,680)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>(9,414)</u>	<u>690,191</u>	<u>680,777</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>663,097</u></u>	<u><u>-</u></u>	<u><u>663,097</u></u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2020	745,000	420,242	129,216	190,111	1,484,569
Additions	<u>-</u>	<u>-</u>	<u>4,967</u>	<u>400</u>	<u>5,367</u>
At 31 July 2021	<u>745,000</u>	<u>420,242</u>	<u>134,183</u>	<u>190,511</u>	<u>1,489,936</u>
<b>DEPRECIATION</b>					
At 1 August 2020	59,600	374,632	104,925	177,639	716,796
Charge for year	<u>14,900</u>	<u>6,841</u>	<u>4,030</u>	<u>6,227</u>	<u>31,998</u>
At 31 July 2021	<u>74,500</u>	<u>381,473</u>	<u>108,955</u>	<u>183,866</u>	<u>748,794</u>
<b>NET BOOK VALUE</b>					
At 31 July 2021	<u><u>670,500</u></u>	<u><u>38,769</u></u>	<u><u>25,228</u></u>	<u><u>6,645</u></u>	<u><u>741,142</u></u>
At 31 July 2020	<u><u>685,400</u></u>	<u><u>45,610</u></u>	<u><u>24,291</u></u>	<u><u>12,472</u></u>	<u><u>767,773</u></u>

The freehold property was revalued on 8 October 2016 by McBeath Property Consultancy Limited, independent chartered surveyors. The value using an open market basis was £745,000.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

<b>13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2021	2020
	£	£
Trade debtors	66,463	81,506
Prepayments	<u>22,439</u>	<u>13,197</u>
	<u>88,902</u>	<u>94,703</u>
<b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2021	2020
	£	£
Bank loans (see note 16)	6,000	5,000
Trade creditors	14,080	14,976
Social security and other taxes	8,016	10,372
Other creditors	2,438	2,573
Accruals and deferred income	<u>10,058</u>	<u>5,850</u>
	<u>40,592</u>	<u>38,771</u>
<b>15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	2021	2020
	£	£
Bank loans (see note 16)	<u>331,225</u>	<u>287,647</u>
<b>16. LOANS</b>		
An analysis of the maturity of loans is given below:		
	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>6,000</u>	<u>5,000</u>
Amounts falling between one and two years:		
Bank loan	<u>7,000</u>	<u>6,000</u>
Amounts falling due between two and five years:		
Bank loan	<u>21,000</u>	<u>21,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	303,225	260,647

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>337,225</u>	<u>292,647</u>

The bank facilities are secured by a legal charge on the company's land and buildings.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	741,142	-	741,142	767,773
Current assets	371,694	-	371,694	221,742
Current liabilities	(40,592)	-	(40,592)	(38,771)
Long term liabilities	<u>(331,225)</u>	-	<u>(331,225)</u>	<u>(287,647)</u>
	<u>741,019</u>	-	<u>741,019</u>	<u>663,097</u>

19. MOVEMENT IN FUNDS

	At 1.8.20	Net movement in funds	At 31.7.21
	£	£	£
<b>Unrestricted funds</b>			
General fund	663,097	77,922	741,019
	<u>663,097</u>	<u>77,922</u>	<u>741,019</u>
<b>TOTAL FUNDS</b>			
	<u>663,097</u>	<u>77,922</u>	<u>741,019</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	702,634	(624,712)	77,922
	<u>702,634</u>	<u>(624,712)</u>	<u>77,922</u>
<b>TOTAL FUNDS</b>			
	<u>702,634</u>	<u>(624,712)</u>	<u>77,922</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
<b>Unrestricted funds</b>				
General fund	(9,414)	(17,680)	690,191	663,097
<b>Restricted funds</b>				
Learning Skills Council - SRAP				
Expenditure	170,656	-	(170,656)	-
Centre of Vocational Excellence	17,365	-	(17,365)	-
Centre of Excellence	458,106	-	(458,106)	-
Yorkshire Forward	5,191	-	(5,191)	-
Skills Funding Agency	6,009	-	(6,009)	-
Ryedale District Council	32,864	-	(32,864)	-
	<u>690,191</u>	<u>-</u>	<u>(690,191)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>680,777</u>	<u>(17,680)</u>	<u>-</u>	<u>663,097</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	756,470	(774,150)	(17,680)
	<u>756,470</u>	<u>(774,150)</u>	<u>(17,680)</u>
<b>TOTAL FUNDS</b>	<u>756,470</u>	<u>(774,150)</u>	<u>(17,680)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
<b>Unrestricted funds</b>				
General fund	(9,414)	60,242	690,191	741,019
<b>Restricted funds</b>				
Learning Skills Council - SRAP				
Expenditure	170,656	-	(170,656)	-
Centre of Vocational Excellence	17,365	-	(17,365)	-
Centre of Excellence	458,106	-	(458,106)	-
Yorkshire Forward	5,191	-	(5,191)	-
Skills Funding Agency	6,009	-	(6,009)	-
Ryedale District Council	32,864	-	(32,864)	-
	<u>690,191</u>	<u>-</u>	<u>(690,191)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>680,777</u>	<u>60,242</u>	<u>-</u>	<u>741,019</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2021

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**19. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,459,104	(1,398,862)	60,242
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>1,459,104</u>	<u>(1,398,862)</u>	<u>60,242</u>

**20. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £9,253 (2020 £9,348).

**21. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 July 2021.

**22. COMPANY STATUS**

The charity is a company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.